

**A COMPARATIVE ANALYSIS BETWEEN TOURISM
KWAZULU-NATAL AND TWO SOUTH AFRICAN AND
TWO OVERSEAS TOURISM BOARDS**

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1. INTRODUCTION

Tourism KwaZulu-Natal appointed Grant Thornton Kessel Feinstein to carry out a benchmarking exercise that compares Tourism KwaZulu-Natal's tourism strategies and funding structures with that of two provincial tourism agencies in South Africa and two similar agencies in foreign countries.

The approach followed during this assignment is detailed on Pages 1 to 2 of the main report.

2. KWAZULU-NATAL

In KwaZulu-Natal the Department of Economic Development and Tourism deals with tourism and the KwaZulu-Natal Tourism Authority is the responsible statutory body.

It is estimated that the tourism industry of KwaZulu-Natal contributes approximately R9,8 billion to the province's economy, R4,8 billion from foreign air arrivals and R5 billion from the domestic tourist market. The United Kingdom, Germany, Africa, North America, the Netherlands and France are the Province's main international markets. Core domestic source markets are KwaZulu-Natal itself, Gauteng and the Eastern Cape.

At regional and local levels, Regional Tourism Organisations ("**RTO's**") and Local Tourism Organisations are the responsible tourism authorities. RTOs co-ordinate tourism marketing and product development at local authority and community levels. RTO's are funded by Regional Councils. Local Tourism Organisations are funded by Regional and Transitional Local Councils, memberships, sponsorships, bookings and fundraising.

The KwaZulu-Natal Tourism Board is made up of 24 members, 10 from the public sector and 14 from the private sector. The tourism authority consists of the following five divisions, viz:

- office of the Chief Executive Officer and Corporate Affairs;
- Marketing Communication;
- Market Research and Information Systems;
- Product Development; and
- Corporate Services.

Core functions of the KwaZulu-Natal Tourism Board according to the Act are:

- to provide advice to Provincial Cabinet on tourism related matters;
- to implement marketing campaigns;
- to advise and guide other organisations whose activities impact on tourism in KwaZulu-Natal.;
- to facilitate the establishment of Regional Tourism For a;
- to conduct research, obtain advice and raise funds; and

- to grant recognition to tour operators, tour guides, accommodation establishments, and restaurants that meet certain requirements as set out by the tourism authority.

Tourism KwaZulu-Natal is in the process of implementing its 'Tourism Strategy 2000', a three-year plan of action which provides a framework within which to drive the core functions of marketing and development.

The Tourism Authority liaises directly with national and provincial government structures and interacts with industry stakeholders through management and stakeholder advisory committees, representation on the decision making structures of various institutions, presentations at conferences, workshops and meetings, regular liaison with key industry partners, and through co-funding of projects.

The Authority is funded by the Provincial Department of Economic Development and Tourism. A budget of R19,4 million has been approved for the 2000/2001 financial year. Forty-three percent of the Authority's budget is spent on marketing communication, 30% on Corporate Services, 15% on Product Development, 10% on Market Research and Information Systems and 2% on the CEO's office.

In addition to the annual report that is provided to the Department of Economic Development and Tourism, KwaZulu-Natal Tourism uses a number of indicators to measure its performance i.e. media coverage, hotel occupancies, revenue generated by specific activities, foreign and domestic tourism arrivals, visitor length of stay, email and telephonic enquiries, number of brochures distributed, coupon returns, web site usage, and the impact of specific marketing campaigns.

3. WESTERN CAPE

In the Western Cape, tourism is the responsibility of the Department of Economic Affairs, Agriculture and Tourism and the Western Cape Tourism Board ("**WCTB**") is the statutory body responsible for tourism.

The tourism industry contributes an estimated R12,9 billion in terms of tourism revenue to the Western Cape; R9,7 billion from foreign air arrivals and R3,2 billion from the domestic tourism market. Europe, particularly the United Kingdom and Germany, is the Western Cape's largest source market. Domestic source markets are mainly from other areas in the Western Cape, Gauteng and the Eastern Cape and are generally from the LSM groups 6 to 8.

The WCTB was established by the Provincial Cabinet in terms of Western Cape Tourism Act No. 3 of 1997, as the agency responsible for tourism in the Province. However, recently a new Western Cape Tourism Bill was tabled. The Bill proposes a departure from the status quo, and suggests the establishment of a marketing agency for the Province. This agency would target both domestic and international tourists and act for local, regional and provincial government. It is envisaged that the agency would replace the WCTB and would be referred to as "Cape Tourism". The Bill also proposes the 'disestablishment of Regional Tourism Organisations established in terms of the previous Act and the transfer of their marketing staff,

assets and liabilities to Cape Tourism. The Bill has met with criticism from both public and private tourism stakeholder organisations. The final fate of this Bill remains unclear.

At present RTO's and the Local Tourism Bureaus ("**LTBs**") are the responsible bodies for tourism at regional and local levels. The roles and responsibilities of the WCTB, the RTO's and LTB's largely mirror one another and broadly comprise marketing and development on provincial, regional and local levels respectively. RTO's are funded by the Regional Local Government, as well as from contributions, sponsorships and income generated by RTO's. LTB's are funded by Local Government, as well as by donations, sponsorships and membership fees.

The board of the WCTB consists of 11 members, 4 from the public sector, 4 from the private sector, and 3 from the semi-public sector. The core functions of the Board are:

- Promotion;
- Distribution; and
- Product Development.

The WCTB liases directly with the Provincial Department of Economic Affairs, Agriculture and Tourism and the National Department of Environmental Affairs and Tourism.

The private sector contributes approximately 6% to the total amount of funding received by the WCTB. This is mainly in the form of the co-funding and sponsorship of projects. Ninety-four percent of the total funding received by the WCTB is from the Provincial Department of Economic Affairs, Agriculture and Tourism. The WCTB has budgeted R9 million for the 2000/2001 financial year of which 44% is earmarked for projects and the remaining 56% for salaries and operational expenses.

The WCTB has not developed clear-cut indicators by means of which to measure their performance. However, funding from the Provincial Department can be withheld should the goals and objectives as set out in the business plan not be achieved.

4. GAUTENG

In Gauteng the Department of Finance and Economic Affairs is responsible for tourism and the Gauteng Tourism Authority ("**GTA**") is the responsible statutory body.

Gauteng's tourism industry contributes some R9,3 billion to the economy of the province. Gauteng's foreign air arrival tourism industry contributes approximately R7,9 billion in terms of tourism revenue to the provincial economy. Main foreign visitor markets are Africa, the UK, Germany and the rest of Europe. The estimated value of the domestic market is R1,4 billion. Main domestic source markets are Gauteng itself, KwaZulu-Natal, the Western Cape and Mpumalanga.

The institutional structure of the Gauteng Tourism Authority differs to that of KwaZulu-Natal and the Western Cape Tourism Board mainly in terms of the reporting structures at provincial, regional and local levels. Guidelines for reporting are not clearly defined in the Gauteng

Tourism Act or elsewhere. Regional and local tourism bodies operate independently from the Provincial Authority. They report to and are funded mainly by the relevant metropolitan and local councils, as well as from memberships received from organisations within the private sector. The core roles of regional and local tourism organisations are mainly marketing.

Core functions of the Tourism Authority according to the Act are:

- to implement the Tourism Act;
- tourism promotion, development and marketing;
- to establish guidelines for tourism development;
- to make recommendations to the MEC on any matters relating to the promotion, development or marketing of tourism in the Province;
- to initiate and implement activities both nationally and internationally in order to attract tourists to the province;
- to develop partnerships and memberships with tourist organisations in other countries as well as with the private sector;
- to co-ordinate, advise, support and interact with organisations or institutions aimed at the promotion and development of tourism; and
- to register, license and collect levies from tourism businesses and operators within the province.

Although the Act provides the appropriate environment for the levy to be implemented, the levy is not yet operational.

The Gauteng Tourism Board consists of 16 members - 6 are from the public sector, 5 from the semi-public sector and 5 from the private sector.

The GTA works closely with the Gauteng Department of Finance and Economic Affairs, as well as with the National Department of Environmental Affairs and Tourism in terms of tourism policy issues. Private sector advisory bodies are in the form of the Gauteng Marketing Partnership, the Gauteng Development Partnership and the Gauteng Arts Marketing Partnership.

The Tourism Authority estimates an annual budget requirement of R28,3 million. Of this, 35,4% would be allocated to Tourism Investment and Job Creation, 27% to Marketing and Product Development, 27% to Management and Administration, 9,4% to stakeholder support, 0,8% to Tourism Awareness, and 0,4 % to Quality Assurance. Currently 95% of the funding is received from Provincial Government and 5% is received from the private sector.

Performance measurement is via an annual report. No clear-cut indicators have been developed by means of which to measure performance.

5. WESTERN AUSTRALIA

The Western Australian Tourism Commission (“**WATC**”) is a semi-government organisation that is responsible for tourism in the State of Western Australia.

Some 92,5% of visitors to Western Australia are domestic tourists and 7,5% are international. Core international markets are the United Kingdom, Japan, Germany, Singapore and Malaysia.

The organisations responsible for tourism promotion and development in Australia are:

- The Australian Tourist Commission (Federal Government Level);
- State Tourist Organisations (e.g. Western Australia);
- Regional Tourism Associations; and
- Local Tourism Associations.

The WATC Board consists of 9 members with a maximum period of office of 4 years. The private sector is strongly represented on the several advisory bodies of the Board. The organisational structure of the WATC is largely based on their core functions that are:

- International Marketing;
- National Marketing;
- Event Tourism; and
- Tourism Development

Regional and local associations are more industry and operator based. A Regional Marketing Advisory Committee facilitates a working relationship between the WATC and the Regional Tourism Associations with regard to all aspects of tourism marketing and regional tourism. The Tourism Authority's *Partnership 21 Plan* aims to create effective partnerships between the private sector and government, and allows the private sector to take advantage of the variety of promotional programs and other opportunities offered by the WATC.

Seventy-eight percent of WATC's funding is provided by the State. In its 1998/1999 financial year the WATC's total funding amounted to AUS\$35 million. A restructuring of private funding is envisaged as part of the Partnership 21 Plan. Under the old system private sector organisations paid several membership fees to local, regional and state tourism organisations. It was generally believed that the services offered for these fees were duplicated. The two new funding models proposed allow businesses to enter at a single fee, or at a single point of entry. A single membership fee would give the tourism business access to a range of benefits offered by local, regional and state tourism organisations. The funding models will be implemented and administered by the WATC as part of a broader five-year plan.

The WATC spends 29% of its total budget on event tourism, 24% on international marketing, 24% on national marketing, 13% on Tourism Development, and 10% on the Visitor Centres and uses 19 key performance indicators to measure performance.

6. FLORIDA

The Florida Tourism Industry Marketing Corporation or 'Visit Florida', is Florida's official tourism marketing corporation and is governed by the Florida Commission on Tourism.

It is estimated that the Florida Tourism Industry generated a total of US\$43 billion in terms of direct tourism expenditure in 1999. Research indicates that some 48,7 million visitors visited Florida in 1998. Of these, some 6,1 million were from overseas and the remainder were domestic. Core foreign markets are the United Kingdom, Brazil, Germany, Venezuela, and Argentina.

Visit Florida has 43 board members representing both the public and private sectors and who occupy a period of office of 1 year. The tourism organisation works closely with the Local Tourism Development Councils and local convention and visitor bureaus. Co-operation is mainly in the form of co-operative advertising and the exchange of information. The core functions of Visit Florida are:

- International Marketing;
- Domestic Marketing;
- Gathering and Compiling Statistics; and
- Operation of 5 Welcome Centres.

Visit Florida's annual available funding is approximately US\$54 million, US\$22 million of which is provided by the State through subsidies and levies. This represents roughly 40% of the organisations total budget. Visit Florida's success is largely due to the industry support it receives. Sixty percent of its funding is provided by the private sector through private sector partnerships. Forty-three percent of Visit Florida's budget is spent on advertising, 36% on Marketing, 8% on Sales, 7% on Administration, 4% on Visitor Services, and 2% on Partners.

Visit Florida provides a quarterly report to the Governor's office and an annual report to the Office of Tourism, Trade and Economic Development. Failure to meet objectives results in the State decreasing the quarterly grants by up to 20%. Visit Florida also reviews its performance by means of a set of clearly defined indicators, viz:

- number of international and domestic tourists;
- average duration of stay;
- tourism taxable sales;
- Florida sales tax revenue;
- advertising equivalency; and
- consumer impressions.

7. BEST PRACTICE

We have, however, provided information in respect of WTO identified best practice for national and regional tourism organisations. In some instances, based on our knowledge of the industry, we have also provided our opinion in respect of what we believe to be best practice.

Institutional Structure

Although the institutional structure within which tourism organisations operate is dependent on political and social structures, ideally the institutional relationship should maximise

communication and minimise duplication of activities between and within local, regional and national structures.

Composition of the Board

The WTO provides no international guidelines in respect of the composition and size of the boards of regional tourism organisations. We do, however, believe that effective representation on the board as well as the overall effectiveness of the board is more important than the actual size of the board.

Core Functions

In our opinion, at present, most tourism organisations concentrate on public relations, market research, market intelligence and actual destination marketing and promotion. Responsibility for the function of development is debated worldwide and often varies between the tourism authority and government.

Government and Private Sector Involvement

According to the WTO there is a greater need for government support in developing countries where the tourism industry is relatively new. The current trend is toward semi-public tourism organisations, and partnerships between the private sector and the authorities at both national and provincial levels.

Funding

In most countries government funding tends to dominate. The rationale for government funding of tourism promotion is that it provides for the generic marketing of a country or region, benefiting the tourism industry and the community. However, in an increasingly competitive tourism industry, national and regional authorities are frequently finding that government funding is insufficient to meet the organisation's objectives. Increased private sector participation is therefore seen as important in ensuring the continued availability of funds for sustained tourism promotion and marketing programmes.

Performance Measurement and Evaluation

Performance measurement and evaluation are increasingly becoming an important part of the overall activities of tourism organisations. The WTO argues that the activities of tourism organisations should be results orientated with clear and measurable objectives.

8. COMPARATIVE ANALYSIS

The relevant tourism authorities were compared in terms of core products, core markets, institutional structure, composition of the Board, core functions, relationship with government, involvement of the private sector, expenditure, performance measurement and funding. A detailed comparative analysis of the tourism organisations is provided in **Annexure A** of the report.

Tourism Authorities within South Africa

The primary tourism market for the Western Cape and Gauteng is the foreign market, whereas for KwaZulu-Natal the primary market is domestic. The total tourism revenue that KwaZulu-Natal receives is less than both the Western Cape and Gauteng Provinces.

In terms of institutional arrangements at the provincial, regional and local levels, Gauteng Tourism differs from KwaZulu-Natal and the Western Cape in that tourism organisations at regional and local levels are largely independent of the Provincial Tourism Authority.

The size of the Boards varies between 11 and 24 people, with Tourism KwaZulu-Natal having the largest Board. Tourism KwaZulu-Natal has the smallest private sector representation on the Board. For all 3 provincial authorities, core functions are set out in the relevant provincial tourism act and are expanded upon in the Authority's business plan. Core functions relate mainly to the activities of marketing and development.

KwaZulu-Natal has the second largest budget for tourism after Gauteng. The Western Cape Tourism Board receives the smallest budget. All three tourism authorities are funded entirely or largely by provincial government. Private sector funding is negligible and is mainly through the co-funding of projects and marketing initiatives.

KwaZulu-Natal spends 58% of its budget on the core functions of marketing and product development. The Western Cape Tourism Board spends 28% on marketing and 7% on development and Gauteng Tourism spends 27% on marketing and product development.

In addition to being audited by the Provincial Auditor General, annual reports are used to measure the performance of all three tourism authorities. KwaZulu-Natal is the only tourism authority which has implemented a set of indicators by means of which to measure performance.

Tourism Authorities Overseas

The tourism revenue generated by Western Australia and Florida is significantly larger than the total tourism revenue that is received by KwaZulu-Natal.

A major distinction between Tourism KwaZulu-Natal, Visit Florida and the WATC, is the latter two's ability to mobilise the private sector. The foreign tourism authorities operate on a larger scale and have stronger links with both public and private organisations. The private sector representatives are predominant on their governing bodies or boards. Opportunities are actively sought for additional co-operative activities with private sector organisations. As a result they are less dependent on government support than the tourism authorities in South Africa. The private sector accounts for 22% of the Western Australian Tourism Commission and 60% of Visit Florida's funding. The larger portion of both the WATC and Visit Florida's budget is directed toward the core function of marketing. Both tourism organisations have developed a set of indicators by means of which to measure performance.

ABBREVIATIONS & ACRONYMS

ATC	Australian Tourism Commission
CEO	Chief Executive Officer
GTA	Gauteng Tourism Authority
KZN	KwaZulu-Natal
LGA	Local Government Association
LSM	Living Standard Measure
LTB	Local Tourism Bureau
MICE	Meetings, Incentives, Conferences and Exhibitions
MTA	Metropolitan Tourism Association
RTA	Regional Tourism Association
RTO	Regional Tourism Organisation
Satour	South African Tourism
SMME	Small, medium and micro enterprises
STO	State Tourism Organisation
The Client	Tourism KwaZulu-Natal
TKZN	Tourism KwaZulu-Natal
VFR	Visiting Friends and Relatives
Visit Florida	Florida Tourism Industry Marketing Corporation
WATC	Western Australian Tourism Commission
WTO	World Tourism Organisation

SECTION 1: INTRODUCTION

1.1 BACKGROUND

Tourism KwaZulu-Natal (“TKZN”) appointed Grant Thornton Kessel Feinstein to carry out a benchmarking exercise that compares TKZN’s strategies and funding structures with that of two provincial tourism agencies in South Africa and two similar agencies in foreign countries.

The results of this comparative analysis are presented in this report.

1.2 APPROACH AND METHODOLOGY

Our assignment took the form of a comparative analysis of KwaZulu-Natal Tourism, two provincial agencies in South Africa and two agencies in foreign countries, as agreed with the Client.

Our research took the form of telephone interviews with the management of provincial (and/ or state agencies) as well as an analysis of their business plans and the relevant tourism acts. This research enabled us to compare each of the organisations in terms of:

- the core tourism products and services that the province (or/state) offers;
- the core markets that the province (or/state) attracts;
- the core functions and activities of the agency;
- the institutional structure under which the agency operates and its relationship with local, regional and national government;
- the nature of expenditure in terms of marketing and product development activities;
- the composition of the Boards/Councils;
- the extent and nature of private sector involvement;
- the methods employed to measure performance; and
- funding sources.

In addition we have presented examples of best practice with respect to tourism organisations as identified by the World Tourism Organisation (“WTO”).

During the course of our fieldwork we interviewed or liased with:

- The Western Cape Tourism Board;

- The Western Cape Department of Economic Affairs, Agriculture and Tourism;
- Tourism KwaZulu-Natal;
- Gauteng Tourism Authority;
- Florida Tourism Industry Marketing Corporation; and
- Western Australian Tourism Commission.

SECTION 2: KWAZULU-NATAL

2.1 GENERAL

The Constitution defines tourism as a Schedule 4, concurrent legislative competence, meaning that national, provincial and local governments concurrently have powers and functions relating to tourism.

In South Africa, the responsibilities associated with facilitating tourism development and conducting tourism destination marketing lie with:

- government (national, provincial and local departments); and
- statutory bodies (national, provincial and local tourism organisations).

Within government, the Department of Environmental Affairs and Tourism deals with tourism at a national level. At a provincial level, within the province of KwaZulu-Natal, the Department of Economic Development and Tourism deals with tourism. The statutory bodies responsible for tourism at national and provincial levels in KwaZulu-Natal are Satour and the KwaZulu-Natal Tourism Authority respectively.

2.1.1 Core Products

KwaZulu-Natal offers a mix of tourism products based on adventure tourism, eco-tourism and cultural tourism. Core tourism products of the province according to the Tourism Authority are:

- conference and conventions;
- beaches;
- scenic beauty;
- nature reserves;
- game parks;
- arts and crafts;
- hiking; and
- water sports.

2.1.2 Core Markets

The tourism industry of KwaZulu-Natal contributes approximately R9,8 billion to the economy of the Province. The tourism industry contributes about 10% to gross geographic product, and employs directly and indirectly approximately 200 000 people. Seven percent of all visitors to the Province are international and 93% are domestic.

In the region of 30% of all overseas arrivals to South Thirty percent of all overseas arrivals to South Africa visit KwaZulu-Natal. It is estimated that the Province receives some 450 000 international tourists with an average per person spend of approximately R4 175. KwaZulu-Natal's foreign tourism market is worth approximately R1,9 billion in terms of tourism revenue.

The Province's main markets are the United Kingdom, Germany, Africa, North America, the Netherlands and France.

KwaZulu-Natal's domestic tourism market is worth approximately R6,4 billion in terms of tourism revenue, and is the Province's main market. Statistics show that KwaZulu-Natal is the dominant destination in terms of domestic tourism in South Africa. It receives more domestic tourists than the Western Cape, Gauteng and the Eastern Cape. KZNTA's 1998 domestic market revealed that approximately 8.6mn urban adults visited KZN in 1998 and spent in the order of R500 per trip. Core source markets are KwaZulu-Natal itself, Gauteng and the Eastern Cape.

2.2 KWAZULU-NATAL TOURISM AUTHORITY

The KwaZulu-Natal Tourism Authority was established by the Provincial Cabinet in terms of the KwaZulu-Natal Tourism Act, No 11 of 1996 (amended) as the Provincial Government Agency responsible for the promotion, development and marketing of tourism in the Province. The KwaZulu-Natal Tourism Authority is controlled/managed by a Board, the members of which are appointed by the Provincial Minister.

When appointing members of the Board, the Minister invites submissions from the residents of KwaZulu-Natal for the names of persons to be taken into consideration. The Minister also appoints the chairperson of the Board. The Board is appointed for a period of up to three years, or for a lesser period as is determined by the Minister.

2.2.1 Institutional Structure

At regional levels the responsible tourism bodies are Regional Tourism Organisations ("**RTOs**") and Local Tourism Organisations. There are seven RTOs and approximately 60 Local Tourism Organisations in KwaZulu-Natal.

RTOs are responsible for the co-ordination of tourism marketing and product development at local authority and community levels. They have the responsibility to engage with Tourism KwaZulu-Natal, local authorities and the community tourism organisations. RTOs are funded by the Tourism Standing Committees of the Regional Councils. Co-funding may be provided by Tourism KwaZulu-Natal.

Tourism KwaZulu-Natal may, in consultation with the affected Regional Councils, determine the boundaries of a regional tourism area. A decision was however taken to adopt the regional council areas as the regional tourism areas of the Tourism Authority.

Local publicity and tourism organisations must liaise with the RTOs in terms of the planning, funding and implementing of their tourism marketing initiatives. According to Tourism KwaZulu-Natal's "Tourism Strategy 2000" the roles of the Local Tourism Authorities and Publicity Associations are to:

- support and co-ordinate the branding/marketing of products;

- assist Tourism KwaZulu-Natal in national campaigns and international marketing efforts by providing information on marketable products, events and attractions;
- promote tourism in local areas;
- develop local products and provide tourism infrastructure in local areas;
- facilitate private sector involvement in marketing and development; and
- provide tourism information and promotion to the public.

Local publicity organisations receive funding from a variety of sources including Regional Councils, Transitional Local Councils, memberships, sponsorships, bookings and fundraising by the association itself.

2.2.2 Composition of the Board

The KwaZulu-Natal Tourism Board, responsible for the KwaZulu-Natal Tourism Authority, is made up of 24 members. Of these, 14 are from the private sector and 10 from the public sector. The following sectors are represented on the board:

- business;
- labour;
- community;
- regional tourism fora;
- local and rural government;
- academic sector;
- provincial Department of Economic Development and Tourism; and
- representatives of heritage and cultural organisations.

The first board of the KwaZulu-Natal Tourism Authority was appointed on 1 June 1999.

2.2.3 Organisational Structure

In terms of organisational structure, Tourism KwaZulu-Natal has been restructured into the following five divisions:

- office of the Chief Executive Officer and Corporate Affairs;
- Marketing Communications;
- Market Research and Information Systems;
- Product Development; and
- Corporate Services.

With regard to staff appointments, 31 of the Authority's 32 approved posts have been filled.

Five technical committees in the form of a CEO's forum, a Research Advisory Committee, an Information Advisory Committee, a Tourism Investment and Development Forum and a Marketing Committee were established to assist the staff of the KwaZulu-Natal Tourism Authority with various projects. The CEO's forum is a forum made up of the CEO of Tourism KwaZulu-Natal as well as the CEOs of the Regional Councils who meet to discuss and co-

ordinate tourism activity in the province. The technical committees are made up of the tourism managers of the Regional Councils as well as other industry stakeholders.

2.2.4 Core Functions

The powers, duties and core functions of the KwaZulu-Natal Tourism Authority are set out in the KwaZulu-Natal Tourism Act, 1996 (amended). These are:

- to advise the Provincial Cabinet on matters relating to the promotion, development or marketing of tourism for KwaZulu-Natal;
- the implementation of media campaigns for the promotion of KwaZulu-Natal;
- to advise and guide organisations whose activities could have an impact on tourism to KwaZulu-Natal;
- to facilitate the establishment of Regional Tourism fora;
- to conduct research, obtain advice and raise funds; and
- to grant recognition to tour operators, tour guides, accommodation establishments, and restaurants etc who meet requirements as set out by the Authority.

In addition, Tourism KwaZulu-Natal's "Tourism Strategy 2000" which is a three-year plan of action, provides a framework within which to drive the core functions of marketing and development.

The four key focus areas for the Authority as identified in the "Tourism Strategy 2000" document are:

- *The establishment of a Strategic Marketing Framework for the co-ordination, funding and driving of a Provincial Tourism Marketing Campaign*

Key elements comprising this framework include market research, the monitoring and analysis of global and domestic tourism trends, as well as the institutional alignment of public and private sector marketing organisations at national, regional and local levels. The promotion of the brand of "The Kingdom of the Zulu" is also a key element of this focus area.

- *The Development of an International Marketing Strategy aimed at positioning KwaZulu-Natal favourably within selected international tourism markets*

In order to achieve the objective of increasing the number of foreign tourists that visit KwaZulu-Natal, Tourism KwaZulu-Natal will align itself and support the marketing programmes that have been implemented by Satour. In addition the Authority will take advantage of the international infrastructure of South African government departments such as the department of Trade and Industry and the Department of Foreign Affairs. Other key activities include the attendance at specifically identified international trade and consumer shows, trade marketing, the development of Indaba into a more significant tourism event, liaison with delegates attending international conferences in the Province and lobbying the arrival of direct charter and other international flights to Durban International Airport.

- *The Establishment of a Domestic Tourism Marketing Strategy aimed at capitalising on the province's dominant position and attracting a greater market share of domestic tourism from other provinces*

Tourism KwaZulu-Natal will focus on the implementation of a national image marketing campaign, attendance at domestic trade and consumer shows, targeted advertising geared toward the identified domestic target market, and strategic promotional campaigns aimed at increasing tourist flows during traditionally low periods.

- *The Development of Strategic Tourism Products that broaden ownership and which are in synergy with the overall theme and branding of the province*

This focus area includes facilitation of the development of new and appropriate tourism products with the specific aim of stimulating new in-bound investment into the tourism economy.

2.2.5 Governmental Relationships

KwaZulu-Natal's Tourism Strategy 2000 calls for closer working relationships between public sector organisations such as regional councils and the Durban Metropolitan Council as well as other related institutions in order to realise identified goals. Tourism KwaZulu-Natal currently has formal agreements with the provincial Department of Economic Development and Tourism, Amafa aKwa-Zulu-Natali, and KwaZulu-Natal Nature Conservation Services. The tourism authority also liaises directly with national government structures such as the Department of Environmental Affairs and Tourism. Other national government Departments such as Trade and Industry and Foreign Affairs are kept abreast of tourism developments in KwaZulu-Natal via updated promotional material and product information.

2.2.6 Private Sector Involvement

The Strategic Marketing Framework of the "Tourism Strategy 2000" calls for effective alignment with private sector marketing organisations in the province. The Tourism Authority regularly interacts with industry stakeholders by means of:

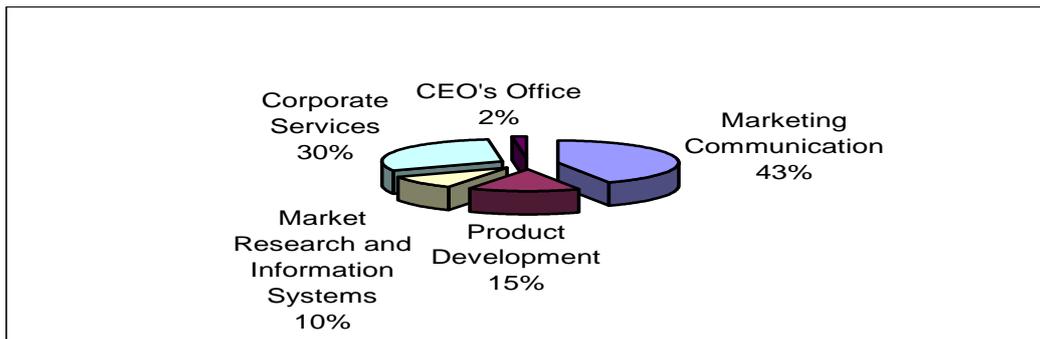
- its management and stakeholder advisory committees;
- its representation on the decision making structures of a number of institutions;
- presentations at key conferences, workshops and meetings; and
- regular liaison with key industry partners.

The private sector is approached for the co-funding of projects, specifically those relating to marketing communication. In addition the private sector is represented on the KwaZulu-Natal Tourism Board.

2.2.7 Expenditure

KwaZulu-Natal Tourism Authority has drafted a budget for the 3-year period April 2000 to March 2003. The budget is based on the recommendations of the "Tourism Strategy 2000". The Tourism Authority estimates a budget of R20 million for the 2000/2001 financial year as the minimum funding required to meet their goals and objectives. Key expenditure items for Tourism KwaZulu-Natal are indicated in **Figure 2.1**

Figure 2.1: Key Expenditure Items



■ Marketing Communication

Marketing Communication represents approximately 43% (R9 million) of the total budget. It encompasses the activities of international and domestic tourism marketing, brand strategy, information offices and distribution. International and domestic tourism marketing together make up 91% of the budget allocated for marketing communication. Tourism KwaZulu-Natal aligns itself to and supports the international marketing programmes implemented by Satour.

■ Product Development

Product development represents approximately 15% (R3 million) of the total budget. It includes activities such as tourism investment promotion, human resource development, tourism infrastructure and event and attraction development. Forty five percent of this budget is allocated to event and attraction development, 19% to tourism investment promotion, 26% to human resource development and 10% to tourism infrastructure.

■ Market Research and Information Systems

Market Research and Information Systems represents 10% (R2 million) of the total budget.

- Corporate Services

Corporate services represents 30% (R6 million) of the total budget. It consists of staff and operational expenditure items. The largest portion of this budget (73%) is allocated to staff costs.

- CEO's Office

Two percent of the total budget is allocated to the functioning of the CEO's office. This includes items such as entertainment, board committee meetings, subsidies, vehicles and workshops.

2.2.8 Performance Measurement

An independent firm of auditors audits the Tourism Authority. In addition an annual financial report is made available to the Department of Economic Development and Tourism. The Provincial Portfolio Committee on Economic Development and Tourism oversees expenditure. The Authority presents quarterly reports to the Department of Economic Affairs. Failure to meet objectives does not result in the withholding of funds.

The role of the Department of Economic Development and Tourism is mainly to ensure that funds are spent according to the budget as approved by the Tourism Portfolio Committee. KwaZulu-Natal Tourism uses a number of indicators to measure performance. These are mainly media coverage, hotel occupancies, the amount of revenue generated by specific activities, foreign and domestic tourism arrivals, visitor length of stay in the province, e-mail and telephonic enquiries, number of brochures distributed, coupon returns, web site usage, and the impact of specific marketing campaigns. These performance measures are derived from a number of consumer and other surveys.

2.2.9 Funding

The KwaZulu-Natal Tourism Authority applies for funding from the Provincial Department of Economic Development and Tourism. According to the KwaZulu-Natal Tourism Act, the Tourism Authority may also raise funds from other sources. Funding has been identified as one of the challenges facing the tourism authority and will be dealt with by means of lobbying government to make a long-term financial commitment as well as by exploring ways of sourcing supplementary funding.

A budget of R19,4 million has been approved for the 2000/2001 financial year. Funding is received from the Department on a quarterly basis. The Department has however already approved a 3-year budget for the Tourism Authority. One hundred percent of the funding received by the Authority is from the public sector. Currently the private sector does not make a contribution.

SECTION 3: WESTERN CAPE

3.1 GENERAL

At a provincial level, within the Western Cape, the Department of Economic Affairs, Agriculture and Tourism handles tourism responsibilities. The statutory body responsible for tourism at a provincial level in the Western Cape is the Western Cape Tourism Board (“WCTB”).

3.1.1 Core Products

The core products of the Western Cape, as identified by the Western Cape Tourism Board, which attract a significant number of domestic and international tourists are:

- beaches and resorts;
- food and wine;
- scenic beauty;
- art, music and theatre;
- eco-tourism experiences, particularly flowers and whales;
- adventure opportunities – deep sea fishing, diving, bungy jumping;
- viewing marine life;
- botanical and bird viewing;
- sport and cultural events; and
- business.

3.1.2 Core Markets

According to the *Satour* Winter and Summer 1999 surveys of South Africa’s international tourism market (air departures only), on average 53% of overseas visitors to South Africa visited the Western Cape in that year. Applying this percentage to the estimated number of overseas tourists to South Africa in 1999 yields an estimated 800 000 overseas visitors to the province in 1999.

The international tourism market contributes an estimated R8,2 billion in terms of revenue to the tourism industry of the Western Cape. International tourism therefore represents 53% of the Western Cape’s total tourism market in terms of tourism revenue contribution. Europe, particularly the United Kingdom and Germany, is the Western Cape’s largest source market

Satour’s most recent Domestic Market Survey, published in 1997, indicated that the Western Cape attracts 22% of the South African domestic holiday market. Tourism KwaZulu-Natal research indicates that there were some 2.0 million domestic tourist trips to the province in 1998. Most of these tourists were LSM 8 tourists who spent in the order of R1000 per trip. Domestic tourism expenditure thus contributes R2 billion to the Province’s tourism industry. Domestic holiday tourists to the Western Cape are mainly from the LSM groups 6 to 8. The

Western Cape therefore attracts a higher percentage of wealthier tourists than the other provinces. Very few tourists in LSM groups 1 to 4 (the poorer members of the country's population) visit the Western Cape, Gauteng and the Eastern Cape.

3.2 WESTERN CAPE TOURISM BOARD

The Western Cape Tourism Board was established by the Provincial Cabinet in terms of the Western Cape Tourism Act No. 3 of 1997 as the agency responsible for the facilitation of development, support and promotion of tourism to the Western Cape.

Recently the Western Cape Tourism Bill was tabled. The Bill proposes a departure from the status quo. It suggests the establishment of a marketing "agency" for the Province that would target both domestic and international tourists and act for all levels of government - local, regional and provincial. As stated in the Bill, it is envisaged that the Agency will replace the Western Cape Tourism Board and will be referred to as Cape Tourism.

According to the Bill, in addition to the Agency's main objective of marketing the Province, the Agency would:

- establish, manage and maintain a tourism registration and accreditation system which would consist of accredited tourism bureaux and accredited tourism products;
- establish and maintain a provincial tourism database;
- establish and maintain an integrated tourism information system;
- monitor, support and coordinate the activities of accredited bureaux and ensure that they comply with appropriate levels of service;
- compile a code of conduct for tourism practitioners;
- investigate complaints with regard to accredited bureaux or accredited tourism products;
- open a regional office in the Cape Metropole as well as in each of the district municipalities of the Province (in addition to the head office);
- identify and promote new tourism products and packages;
- promote tourism related arts and crafts; and
- raise the level of awareness and understanding of tourism in the Province.

The Bill also proposes the 'disestablishment' of all regional tourism organisations established in terms of the previous Act and the transfer of their tourism marketing staff, assets and liabilities to Cape Tourism by agreement.

The proposed formation of a provincial marketing agency has met with criticism from private and public tourism stakeholder organisations. The restructuring of the Provincial cabinet has resulted in the appointment of a new Minister responsible for tourism. The final fate of this Bill therefore remains unclear.

3.2.1 Institutional Structure

At regional and local levels within the Western Cape the responsible bodies for tourism are the Regional Tourism Organisations ("**RTO's**") and the Local Tourism Bureaus ("**LTB's**").

The current Tourism Act outlines the establishment of the Western Cape Tourism Board, eight Regional Tourism Organisations and a Local Tourism Bureau in each town, as well as the guidelines according to which these structures should operate. The roles and responsibilities of the Western Cape Tourism Board, the RTO's and LTB's largely mirror one another and are broadly spelled out as comprising marketing and development on a provincial, regional and local level respectively.

RTO's generally provide support to the LTB's and are involved in tourism marketing and development activities in their region. The WCTB works towards co-ordinating activities between the RTO's and is involved in tourism marketing and development activities in the Province.

The roles of the RTOs based on the current Act can be summarised as follows:

- to formulate and implement tourism policy at a regional level;
- to promote tourism to their regions;
- to support and facilitate provincial tourism development and marketing;
- to assist and support accredited LTBs;
- to develop and promote tourism skills and awareness within their communities; and
- to promote the advancement of emerging businesses within the tourism industry.

RTOs are accountable in terms of their budgets and business plans to the Chief Executive Officer of the regional local government.

Most LTB's are simply information centres and find themselves too stretched in terms of resources to provide an adequate marketing or development function. According to the Tourism Act, LTBs are voluntary, non-profit organisations. Their functions are to:

- formulate tourism strategy and policy in accordance with the regional tourism policy;
- market their areas;
- disseminate information;
- develop and promote tourism skills and awareness within the local community;
- promote the development of appropriate tourism infrastructure; and
- promote the development of emerging businesses.

LTBs are subject to accreditation by the Western Cape Tourism Board based on criteria formulated by the Board itself. LTBs are accountable to the Chief Executive Officer of the Local Government for their area of jurisdiction.

3.2.2 Composition of the Board

The Western Cape Tourism Board consists of 11 members. Of these, 4 represent the public sector, 4 represent the private sector, and 3 represent the semi-public sector. Representation on the Board includes:

- business;

- local and provincial government;
- representatives from heritage organisations; and
- regional tourism organisations.

With regard to the appointment of the Board, a notice is placed in the Provincial Gazette as well as other media inviting interested parties to submit the names of suitable candidates for nomination to the Board. In addition, nominations are put forward by the Western Cape Provincial Government as well as by organisations representing municipalities in the Province. The Minister responsible for tourism in the Western Cape Province finally appoints the Board.

3.2.3 Organisational Structure

The WCTB has a staff compliment of 21 people. The organisational structure of the Board is largely based on the core functions of the Authority. The main areas are:

- Office of the CEO;
- Marketing Services;
- Product Development;
- Information Management and Research; and
- Corporate Services.

In addition, the Board has two Permanent Committees, one for Marketing and the other for Development. The main purpose of these Permanent Committees is to assist and advise the Board with regard to the execution of its marketing and development function objectives.

3.2.4 Core Functions

The key roles of the Western Cape Tourism Board according to its business plan are:

■ Promotion

“Promotion of the Western Cape as a tourism destination to internal and external markets through advertising, public relations, trade interrelationships, exhibitions and special promotional campaigns, etc.” This includes working with Satour in generically marketing the province internationally and domestically, as well as facilitating the marketing of previously marginalized entrepreneurs and community products. Promotion also includes ‘selling’ the importance of tourism and a tourism culture to the population of the Province as well as lobbying support for tourism amongst the business community and political leaders. Marketing strategies are informed by conducting market research and the compilation of relevant statistics.

■ Distribution

“Establishing a distribution channel for generic products through the development of amongst others a comprehensive database, electronic information systems, travel guides, maps,

information offices, and appropriate road signs systems etc.” This includes the investigation and development of e-commerce opportunities.

■ **Product Development**

“The effective development, facilitation and packaging of existing attractions, themes, routes, events, itineraries, etc. and the development of new attractions, in particular in historically disadvantaged areas and communities.” New products include amongst other, film production, festivals, conventions and wildlife tourism. Also targeted will be the established “experienter” and “entertainer” market segments and the development of the new “explorer” and “eventer” segments. Product development also includes the guidance and assistance of emerging tourism entrepreneurs and communities in developing their business ventures, as well as the establishment of a tourism registration and accreditation system.

3.2.5 Governmental Relationships

In addition to the Provincial Department of Economic Affairs, Agriculture and Tourism, the Board liases directly with the National Department of Environmental Affairs and Tourism, and is also represented on the Miptech. The Miptech is a national advice committee to the provincial tourism ministers and is made up of senior officials responsible for tourism in each province. The purpose of this committee is to create a common agenda for tourism amongst the different provinces.

The WCTB has no formal relations with other government departments other than providing them with specific information upon request.

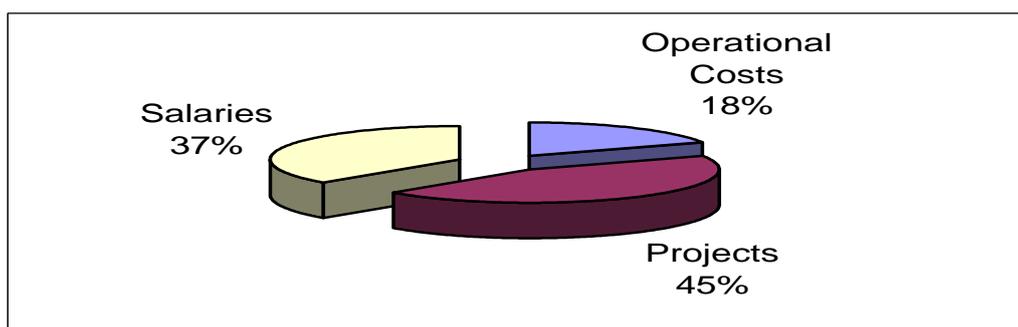
3.2.6 Private Sector Involvement

The private sector is represented on the board of the WCTB. Private sector representatives are appointed by the MEC responsible for tourism after consultation with the Standing Committee of the Provincial Legislature with regard to nominations received. In addition they are approached for the co-funding or sponsorship of projects, especially those that relate to marketing. Work that cannot be conducted by the staff of the Western Cape Tourism Board itself is subcontracted to various consultants. The private sector contributes approximately 6% to the total amount of funding received by the Tourism Board.

3.2.7 Expenditure

The Western Cape Tourism Board has drafted a budget and business plan for the 2000/ 2001 financial year. The Tourism Authority estimates a budget of R8 974 000 as the minimum funding required to meet their goals and objectives. Key expenditure items are indicated in **Figure 3.1.**

Figure 3.1: Key Expenditure Items



■ **Operational Costs**

Operational costs represent approximately 18,4% (R1 647 000) of the total budget. Operational costs include rental, vehicles, office equipment, stock, capital expenditure, offices, as well as professional and other services.

■ **Salaries**

Salaries represent 37,3% (R3 350 000) of the total budget.

■ **Projects**

Project expenditure represents the largest portion of the budget. Forty four percent (R3 977 000) of the total budget goes toward projects. This includes key performance areas such as development, marketing, information and research, as well as communication and media. Twenty eight percent of the total budget is allocated to marketing, 7% to development, 7% to information and research and 3% to public relations and communication.

3.2.8 Performance Measurement

The Western Cape Tourism Board has signed a performance agreement with the Provincial Department of Economic Affairs, Agriculture and Tourism whereby the Board submits an annual business plan. Funding by the Department is provided on a quarterly basis provided that the Board has met the goals and objectives as set out in the business plan. Payment can be withheld if the Board's performance is not satisfactory. In addition an annual report must be made available to the Department. The Provincial Auditor General audits financial statements and other records. Staff members at the Board sign performance agreements whereby they receive a financial incentive based on bi-annual evaluations. The Western Cape Tourism Board has however not developed set indicators to measure its own performance.

3.2.9 Funding

The Western Cape Tourism Board is funded mainly by the Provincial Department of Economic Affairs, Agriculture and Tourism. Ninety-four percent of the total funding received by the

Authority is from this source. The Department has allocated R6,4 million to the Authority for the 2000/ 2001 financial year. This is R2,5 million less than the estimated required amount. Additional sources of funding are donations, sponsorships and income generated by the Board itself. Regional Tourism Organisations are funded by Regional Local Government, as well as from contributions, sponsorships and income generated by the RTOs themselves. Local Tourism Bureaus are funded by Local Government, as well as by donations, sponsorships and membership fees.

SECTION 4: GAUTENG PROVINCE

4.1 GENERAL

At a provincial level the Department of Finance and Economic Affairs is responsible for tourism in Gauteng Province and the Gauteng Tourism Authority (“GTA”) is the responsible statutory body.

4.1.1 Core Products

Core products of the Province according to the Gauteng Tourism Authority are:

- History & Culture;
- Business; and
- Sports.

4.1.2 Core Markets

Gauteng’s tourism industry contributes some R8,6 billion to the economy of the province.

According to Satour research, 57% of overseas tourists visited the province in 1999, equivalent to an estimated 850 000 overseas tourists in that year. Gauteng’s foreign tourism industry contributes approximately R4,9 billion in terms of tourism revenue to the provincial economy, and therefore represents 57% of tourism’s total contribution to the Province. Gauteng’s main foreign visitor markets are mainly Africa, the UK, Germany and the rest of Europe.

The estimated value of the domestic market is R1,5 billion. An estimated 3 million tourism trips are made to the province each year, with an average spend approximately 500 trip. Main domestic source markets are Gauteng itself, KwaZulu-Natal, the Western Cape and Mpumalanga.

4.2 GAUTENG TOURISM AUTHORITY

The Gauteng Tourism Authority was established in terms of the Gauteng Tourism Act and replaces the previous Gauteng Tourism Agency. The Tourism Authority is the government authority that has the responsibility of stimulating, co-ordinating and facilitating tourism marketing and development for Gauteng Province.

4.2.1 Institutional Structure

The institutional structure of the Gauteng Tourism Authority differs to those of KwaZulu Natal and the Western Cape Tourism Board mainly in terms of the reporting structures at provincial, regional and local levels. The Gauteng Tourism Act provides for the establishment of a Provincial Tourism Authority, but not for tourism structures at regional and local levels.

Regional and local tourism bodies operate independently from the Provincial Authority. They report to and are funded mainly by the relevant metropolitan and local councils. They are also partly funded by memberships from organisations within the private sector. The core roles of the regional and local tourism organisations are mainly marketing and in some instances development. Guidelines for reporting are not clearly defined in the Gauteng Tourism Act or elsewhere. As far as possible regional tourism bodies work closely with both the Gauteng Tourism Authority and the national Department of Economic Affairs, Agriculture and Tourism to develop synergy with regard to marketing efforts and to avoid the duplication of activities.

In terms of the Gauteng Tourism Act, tour guides, tour operators, couriers, training providers, hotels and other accommodation establishments, conference centres, restaurants and tourist amenities have to register with Gauteng Tourism Authority. In addition, the Authority must license tour operators, tour guides and couriers. Based on the Act none of the above may conduct their businesses unless they are registered or licensed.

Applications for accreditation, grading, and classification are also made to the Authority, but on a voluntary basis. The Tourism Authority itself determines criteria for the accreditation of tourist establishments. These measures are designed to ensure that accurate information on the industry can be collected, that the provision of high quality tourist services can be encouraged and that the information can be used for marketing purposes.

The Authority has commissioned software so that it can be adequately geared to undertake the comprehensive registration and accreditation of all tourism facilities in Gauteng.

It is intended that a levy be imposed upon registered hotels and other accommodation establishments, conference centres, restaurants, tour operators, tour guides, couriers and tourist amenities. This levy would contribute toward the financing of tourism marketing and development. Although the Act creates the appropriate statutory environment for the levy to be implemented, the levy is not yet operational.

4.2.2 Composition of the Board

The Gauteng Tourism Board consists of 16 members, of whom 6 are from the public sector, 5 are from the semi-public sector and 5 are from the private sector. In addition the Authority employs 25 people. In terms of the appointment of Board members, advertisements calling for nominations are placed in the Provincial Gazette as well as in 4 newspapers. The Tourism Standing Committee interviews potential members and provides the MEC for tourism with recommendations. The MEC makes a decision based on these recommendations. A notice of the proposed appointments is published thereby allowing for objections. The period of office of the Board is 3 years.

4.2.3 Core Functions/ Key Focus Areas

The core functions of the Tourism Authority, according to the Act, are:

- to implement the Tourism Act;

- to conduct the activities of tourism promotion, development and marketing;
- to establish guidelines for tourism development;
- to make recommendations to the MEC on any matters relating to the promotion, development or marketing of tourism in the Province;
- to initiate and implement activities both nationally and internationally in order to attract tourists to the Province;
- to develop partnerships and memberships with tourist organisations in other countries as well as with the private sector;
- to co-ordinate, advise, support and interact with organisations or institutions aimed at the promotion and development of tourism; and
- to register, license and collect levies from tourism businesses and operators within the Province.

The draft business plan prepared by the Gauteng Tourism Authority outlines the key activities of the Authority. Six strategic goals have been identified. These are:

- *Strategic Goal One: To increase the number of business visitors and all other tourists to Gauteng*

This includes the formation of a Marketing Partnership made up of key marketing budget-holders in Gauteng. The objective of the partnership would be to set out marketing priorities and workshop marketing strategies for the future. The development of a Gauteng brand, marketing research, market intelligence, event tourism and product development are all included in this objective.

- *Strategic Goal Two: To improve the capacity of the tourism industry by stimulating investment expansion and job creation*

The need was identified to develop a Gauteng Tourism growth plan or strategy that would investigate tourism's position in the economy of Gauteng and its contribution to the economic growth and employment. Provincial government as well as other key stakeholders will approve the Growth Strategy. Linkages will be formed with the National Department of Environmental Affairs and Tourism, labour, Theta and other tourism related institutions.

The need for a Gauteng Tourism Development Strategy aimed at bringing about co-ordinated and sustainable tourism development was also identified. The strategy, as well as a quarterly newsletter, will be drawn up by the Gauteng Tourism Development Partnership, a partnership of key stakeholders involved with tourism development in Gauteng. As part of the Tourism Development Strategy, the Authority will identify possible tourism investment opportunities and identify constraints to investment in leisure and tourism in the Province.

- *Strategic Goal Three: To establish world class service standards*

The Gauteng Tourism Authority has identified the need to develop, monitor and control standards in the tourism industry. The Gauteng Tourism Act enables the Gauteng Tourism

Authority to promote standards through its control of the registration, licensing and certification of tourism facilities. The Tourism Authority will therefore work with agencies involved with the establishment of quality assurance and service standards in order to promote excellence in service standards. The anticipated outcome would be the establishment of a grading and classification system, an inspection unit, as well as a customer response system.

- *Strategic Goal Four: To improve the safety and the sense of safety of visitors*

This involves the development of comprehensive strategies that will improve visitor safety by means of linking up with current initiatives and working with both product owners and key agencies responsible for community safety. Increasing tourism awareness and community involvement is also included as a part of this goal.

- *Strategic Goal Five: To harness the support of stakeholders*

Gauteng tourism will harness the support of stakeholders through an annual Gauteng Tourism Conference aimed at bringing key stakeholders in the industry together, as well as an Active Partnership Programme to proactively explore and develop partnerships and joint ventures with organisations who have the relevant tourism marketing and development expertise.

- *Strategic Goal Six: To provide effective and efficient management and administration of the GTA office*

This includes legal and corporate matters as well as communication and liaison.

4.2.4 Governmental Relationships

The Gauteng Department of Finance and Economic Affairs is the department responsible for tourism in the Province. Based on their recent budget speech, the Department sees itself largely as a policy-making and regulating institution with implementation best suited to agencies such as the Gauteng Tourism Authority. Formal institutional arrangements for engagement with Provincial and National government departments are via the top management structures such as the Miptechs (the ministers technical advisory committees). Less formal methods of engaging with local, provincial and national government are via roadshows and newsletters.

Furthermore the Gauteng Tourism Authority works closely with the Gauteng Department of Finance and Economic Affairs on policy issues relating to leisure, tourism, gaming, economic development and investment promotion. The Tourism Authority also responds and contributes to the development of tourism policy at a local authority level.

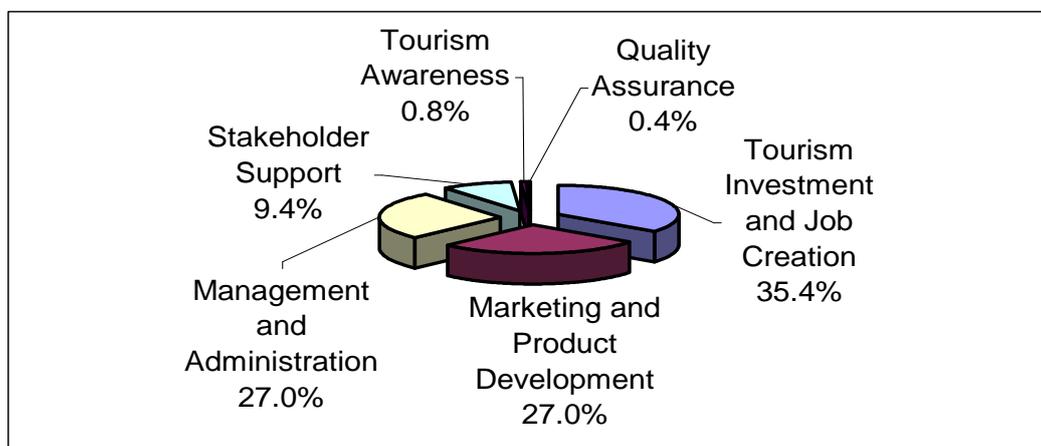
4.2.5 Private Sector Involvement

The private sector is represented on the Board of the Gauteng Tourism Authority. In addition, there are three private sector advisory bodies, viz: the Gauteng Marketing Partnership, the Gauteng Development Partnership and the Gauteng Arts Marketing Partnership. These partnerships are made up of key private sector stakeholders in the tourism industry. The partnerships meet every two months in order to discuss the strategic marketing of Gauteng.

4.2.6 Expenditure

The Gauteng Tourism Authority estimates an annual budget requirement of R28,3 million in order to meet their goals and objectives. **Figure 4.1** Indicates the way in which the budget has been broken down according to the various expenditure items.

Figure 4. 1: Key Expenditure Items



Twenty seven percent (R8 million) of the total budget goes towards Strategic Goal One, which is to increase the number of business visitors and all other tourists to Gauteng. This includes programmes such as Strategic Planning for Marketing, Marketing Gauteng, Event Tourism, and Product Development.

The largest portion of the budget (35,4%) is allocated to Strategic Goal Two, to improve the capacity of the tourism industry by stimulating investment expansion and job creation. The Gauteng Tourism Development Strategy, Tourism Investment Promotion, as well as an Employment, Enterprise and Training Programme are included here.

Strategic Goal Three utilises the smallest portion of the total budget. Less than 1% of the total budget is allocated to this goal, which is in the form of a Quality Assurance Programme.

Strategic Goal Four, to improve the safety and sense of safety of visitors, includes programmes such as a Visitor Safety Programme and a Tourism Awareness Programme. 0,8% Of the total budget is allocated to these programmes.

Harnessing the support of stakeholders, Strategic Goal Five, is allocated 9,4% of the total budget. This includes consultation with and involvement of key stakeholders, Tourism Policy and National Liaison and the implementation of the Gauteng Tourism Act.

Twenty seven percent of the total budget is allocated to Strategic Goal Six which is the provision of effective and efficient management and administration of the Gauteng Tourism Authority Office. Programmes here include management, administration and support services.

4.2.7 Performance Measurement

The Gauteng Tourism Authority is audited by the Auditor General of the Province. In addition the Authority prepares an annual report to the relevant MEC based on the activities undertaken during the previous financial year. Failure to meet objectives does not result in the cutting back or withholding of funds. The Authority does not review its own performance as yet. In addition, the Authority has not developed a clear set of indicators by means of which to measure its performance.

4.2.8 Funding

According to the Act, the Gauteng Tourism Authority should be funded mainly by levies in addition to funding from Provincial Government and any other source that has been approved by the MEC. As the legislated levy system has not been implemented, funding from this source is currently limited.

Currently, 95% of total funding received by the Tourism Authority is from Provincial Government. The remaining 5% is received from the private sector. The Department of Finance and Economic Affairs has allocated R30 million to the Tourism Authority this year in recognition of tourism as one of the most important sectors able to contribute to economic growth.

The Act refers to the establishment of a Tourism Development Fund, for the development and empowerment of previously disadvantaged individuals or communities involved in the tourism industry. According to the Act, 33% of all levies collected are to be allocated to this fund.

SECTION 5: STATE OF WESTERN AUSTRALIA

5.1 GENERAL

Western Australia covers one third of the Australian continent. Perth, the capital city of the State, has a population of approximately 1,38 million people.

Western Australia is the second most preferred destination for Australian domestic tourists. The annual revenue generated in the Western Australia's tourism industry is estimated at AUS\$4,4 billion in 1999 (approximately R 18 billion).

5.1.1 Core Products

The core products of Western Australia, which attract a significant number of domestic and international tourists, as identified by the Western Australian Tourism Commission ("**WATC**"), are:

- Sun and Sea;
- Wineries;
- Wild life viewing;
- Marine life viewing;
- Scenic rural areas;
- Business; and
- Conference/Conventions.

5.1.2 Core Markets

According to the WATC, 92,5% of visitors to Western Australia are domestic tourists and 7,5% are international visitors. The core international markets are the United Kingdom, Japan, Germany, Singapore and Malaysia. In the near future the WATC will increase its focus on the markets of China, Hong Kong, Italy and South Africa.

Western Australia attracts 13% of the total number of international visitors to Australia, and ranks fourth after New South Wales, Queensland and Victoria in terms of foreign tourist visits.

5.2 WESTERN AUSTRALIAN TOURISM COMMISSION

The Western Australian Tourism Commission was established in 1984 under the Western Australian Tourism Commission Act of 1983. The WATC is a semi-government agency. It currently has a staff complement 147.

The Mission Statement of the WATC reads: "*The Role of the WATC is to accelerate the sustainable growth of the tourism industry for the long-term social and economic benefit of the State*".

5.2.1 Institutional Structure

The institutional structure of the Australian tourism industry can be divided into four levels, viz:

1. The Australian Tourist Commission, which sits at Federal Government Level;
2. State Tourism Organisations (“**STO’s**”) in each State of Australia;
3. Regional Tourism Associations; and
4. Local Tourism Associations.

The Western Australian Tourism Commission is a State Tourism Organisation or STO.

The Federal Government and STO’s are mostly government run and co-ordinated, while the regional and local Associations are more industry and operator based. The Australian Tourist Commission has the charter to promote Australia internationally.

A Regional Marketing Advisory Committee has been formed to facilitate a working relationship between the WATC (a STO) and the Regional Tourism Associations in Western Australia. The committee is made up of a representative from each region in Western Australia as well as the WATC. The committee’s primary role is to work in partnership with the WATC with regard to all aspects of regional tourism and tourism marketing.

Over the last four years Western Australia has developed a co-ordinated Regional Tourism Association Network in response to the general tourism industry view that there were too many regions in the State. The purpose of the network was to encourage the rationalisation of the number of tourism regions, foster the working together of regions and to form partnerships. This Integrated Tourism Network creates a framework for the delivery of the most efficient and effective tourism services.

The Integrated Tourism Network structure identifies the need for a close working relationship between the WATC and the Australian Tourist Commission and the formation of partnerships in order for Western Australia to be successful in the international market, and to achieve the best possible marketing of the State in the most cost-efficient manner.

Table 5.1 gives an overview of the Integrated Tourism Network structure.

Table 5.1 Integrated Network Structure – WATC

ORGANISATION	ROLE	STRUCTURE	FUNDING
W.A.T.C.	State Destination Marketing (in partnership with federal ATC) International National Events MICE Visitor Network Co-ordination of Network State Centre	Industry Board appointed by Government, Advisory Councils to be nominated by Industry members of W.A. Tourism network to advise Board of Commissioners	State Government – Fixed funding
	Co-ordination of Product with Destination Marketing		Business on commercial decision basis at full cost-recovery from Industry*
RTA	Regional Destination Marketing (in partnership with Tourism Commission) International National Events MICE	Stakeholder Board as determined by RTA's	Tourism Commission – Fixed funding Local Government – Fixed funding (optional decision by LGA) Business – Membership funding
	Co-ordination of Product with Destination Marketing		Business on commercial decision basis at full cost recovery from Industry*
Visitor Centre	Service visitors via Visitor Information Centre(s)	Stakeholder Board as determined by VSA's	Local Government – Fixed funding Industry Membership funding
	Co-ordinate Product-booking centre		Business on commercial decision basis at full cost recovery from Industry*

Source: W.A.T.C.'s Partnership 21 Plan

* i.e. Co-ordination of product with destination marketing will only take place if the industry is willing to fund the initiative and the concept makes overall business sense.

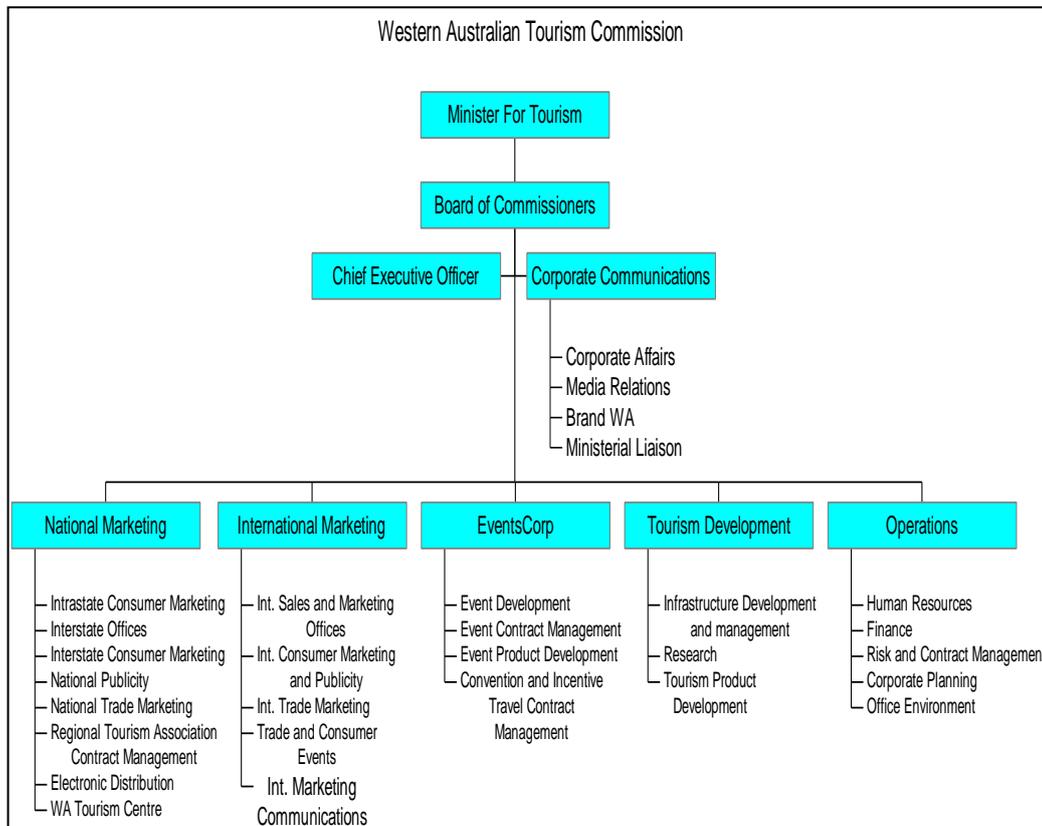
5.2.2 Composition of the Board

The WATC Board consists of 9 members nominated by the State Minister for Tourism and formally appointed by the Governor of Western Australia. According to Act, the chairperson of the board shall not hold office for longer than 5 years. The maximum period of office for other board members is 4 years. The airline and hotel Industries have strong representation on the Board. Other sectors that are represented are the public, estate development and advertising sectors.

Figure 5.1 shows the organisational structure of the Western Australian Tourism Commission.

Figure 5.1: Organisational Structure of the Western Australian Tourism Commission

Source: WATC Annual Report 1998 – 1999



The organisational structure is largely based on the core functions of the WATC of which the main areas are:

- national marketing;
- international marketing;
- event tourism; and
- tourism development.

In addition to the four main departments, 8 committees have been formed to address specific aspects of the WATC's activities and operations. These are:

- Finance Committee;
- Regional Marketing Advisory Committee;
- EventsCorp Advisory Council;
- International Advisory Council;
- Tourism Industry Development Advisory Council;
- National Advisory Council;
- Risk Management Reference Group; and
- Audit Committee.

5.2.3 Core Functions

■ International Marketing

The International Sales and marketing team of the WATC works in partnership with industry and the Australian Tourist Commission to promote Australia as a desirable holiday destination. The Division has 5 offices abroad, which are located in London, Frankfurt, Singapore, Kuala Lumpur and Tokyo.

Core functions of the division is to plan, develop and implement strategic and tactical marketing campaigns that are aimed at both trade and consumers in core and future international markets.

■ National Marketing

The National Sales and Marketing Division conducts image and promotional campaigns designed to increase consumer and trade awareness as well as to support other tactical campaigns within the industry. The division works with targeted travel agents to increase their knowledge of the State and to develop their sales skills to effectively sell the Western Australian tourism product. The division has developed alliances with transport providers, tourism operators, regional tourism associations and other organisations to promote Western Australia as a holiday destination.

In addition to a Tourist Centre in Perth, the WATC has 3 Interstate offices that are located in Melbourne, Sydney and Brisbane. The tourist centre in Perth allows both domestic and foreign visitors to obtain tourism information on Western Australia and to book accommodation and other tourist services. It also provides destination and product information to the retail travel trade in Australia.

The WATC has also taken a leading role in the Partnership Australia Domestic Initiative; a co-operative program aimed at the promotion of domestic travel.

The National Marketing division also works in conjunction with the State's Regional Tourism Associations in order to increase the promotion of Western Australia at targeted consumer shows.

The National Marketing division has a total staff complement of 63.

■ Event Tourism

The objective of the events division, "EventsCorp", is to develop, attract and support events that are capable of generating substantial visitor expenditure and can market Western Australia both nationally and internationally.

The division undertakes feasibility studies to identify suitable events of international significance, bids for these events and, if appropriate manages them. EventsCorp has developed partnerships with national and international sporting federations, the arts sector, and special event industry, to facilitate the winning of events.

The staff complement of this division is 26.

■ **Tourism Development**

The objective of this division is to develop the tourism industry by providing mechanisms for industry professionalism, better education and training, new infrastructure and product development. The division works in close co-operation with tourism industry partners to develop tourism product as dictated by market demand.

5.2.4 Governmental Relationships

Seventy-eight percent of the WATC's funding is provided by the State. The Treasury department annually evaluates the performance of the WATC. At present, direct funding cuts are not imposed if objectives are not met. This may however, change in the future.

5.2.5 Private Sector Involvement

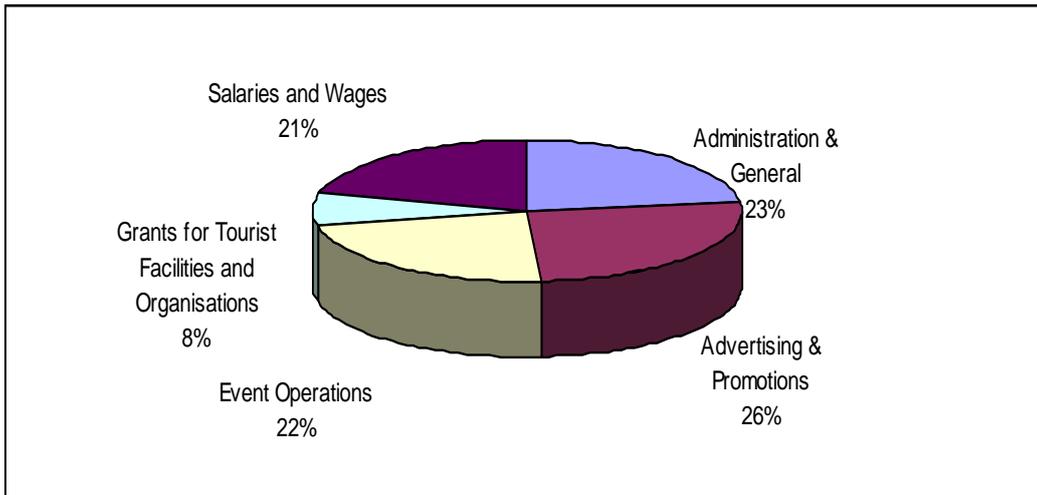
In addition to representation on the Board, the private sector is strongly represented on the several advisory bodies of the Board. A *Partnership 21 Plan* is part of a broader *Partnership to Success* program which is aimed at creating an effective partnership between the private sector and government, and allows private sector businesses to take advantage of the variety of products and promotional programs and opportunities offered by the WATC. An industry-based steering committee has been formed to monitor progress in developing Partnership 21, to ensure that the plan is representative of the industry in general and to ensure that all stakeholders have an opportunity to contribute. The WATC has appointed an independent consultant to gather the views of all the stakeholders throughout the State in order to provide a viable framework on which to build the State's tourism industry. The information emanating from the consultant's research is then provided to seven industry reference groups who prioritise the information received through a consultation process for their particular area. The tourism industry reference groups are:

- National Marketing Reference Group;
- International Marketing Reference Group;
- Event Tourism Reference Group;
- Tourism Development Reference Group;
- Regional Tourism Reference Group;
- Mice Reference Group; and
- Industry Structure and Roles Reference Group.

5.2.6 Expenditure

Figure 5.2 provides an overview of the total expenditure of the WATC.

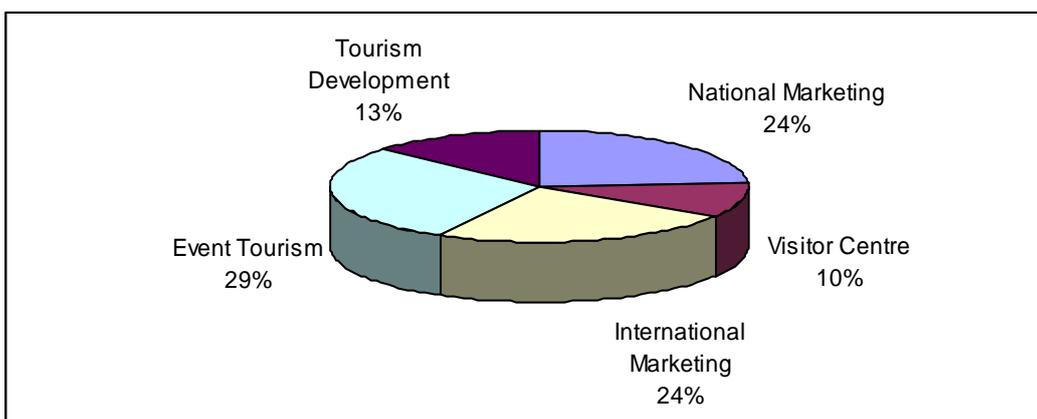
Figure 5.2 Overview of WATC Expenditure



Source: WATC Annual Report 1998 - 1999

Figure 5.3 provides an overview of the total expenditure with salaries, wages, administration and general costs having been allocated to the WATC core functions.

Figure 5.3 Overview of Allocated Expenditure - WATC



Source: WATC Annual Report 1998 – 1999

Research is included in the Tourism Development expenditure item, and forms part of the Tourism Development Division. Research includes activities such as:

- the provision of strategic marketing information;
- market research;
- market intelligence;
- provision of consultancy services; and

- policy advice on tourism research.

5.2.7 Performance Measurement

The Annual Report of the WATC lists the output delivered by the organisation. Key performance indicators are used to measure performance. Market research conducted by an outside organisation provides an evaluation of the organisation's performance in respect of agreed objectives.

The effectiveness indicators for the promotion of Western Australia are:

- The extent to which campaigns and promotional activities improved the propensity of consumers to consider Western Australia as an attractive tourist destination;
- The extent to which the WATC's activities improved the level of awareness of travel agents of Western Australia's tourism products and the likelihood of them recommending Western Australia's products to their customers;
- The extent to which visitor expenditure is generated from incremental tourism initiatives (i.e. Western Australia Tourist Centre, events and tactical campaigns); and
- The extent to which bids were successful for events, conventions and incentive travel;

The efficiency indicators for the promotion of Western Australia are:

- The ratio of the total cost of campaigns and activities relative to the level of consumer awareness of Western Australia as an attractive tourist destination;
- The ratio of the total cost of campaigns and activities relative to the level of trade awareness of Western Australia as an attractive tourist destination;
- The ratio of the cost of incremental tourism activities to visitor expenditure generated;
- The ratio of WATC cost to the value of successful bids; and
- The ratio of the WATC cost to industry support and revenue generated.

The effectiveness indicators for tourism development within Western Australia are:

- The number of new infrastructure project sites worked on and developed to an agreed stage;
- The number of tourism products and projects developed;
- The level of customer satisfaction with tourism industry development services provided; and
- The number of Western Australian tour operators registered and accredited to the National Tourism Accreditation program.

The efficiency indicators for the tourism development within W.A. comprise mostly cost per output measures such as:

- cost per infrastructure project site developed to agreed stage;
- cost per tourism product or project developed;
- cost per research consultancy;
- cost per product development consultancy;

- cost per operator accredited; and
- cost per report and submission.

5.2.8 Funding

Table 5.2 gives an overview of the sources of funding received by the WATC as stated in the organisation's 1998/1999 Annual Report.

Table 5.2 Overview of WATC Funding

Sources	Amount in AUS \$ (thousands)	Percentage of Total
Governmental Funding	26 861	78%
Industry Contribution	2 316	7%
Events Operations	3 969	11%
Travel Agents' Commission	696	2%
Other	800	2%
Total	34 642	100%

Source: WATC Annual Report 1998 – 1999

A restructuring of private funding is envisaged as part of the Partnership 21 Plan. The demand was identified for a simplification of the process whereby Western Australian tourism businesses can be a part of the State's tourism marketing effort without having to contribute funds to the local, regional and state tourism organisations separately. Under the old system private sector organisations paid several membership fees to local, regional and state tourism organisations and it was generally believed that the services offered for these fees were duplicated.

Therefore two new funding models were proposed to allow businesses to enter at a single fee, or at a single point of entry. Where previously a tourism operator would on average spend \$851.60 on tourism related memberships per year; the new models propose a minimum cost of \$535 to be paid as a single fee or as regular instalments. A single membership fee would give the tourism operators access to the range of benefits offered by local, regional and state tourism organisations, as applicable to each model.

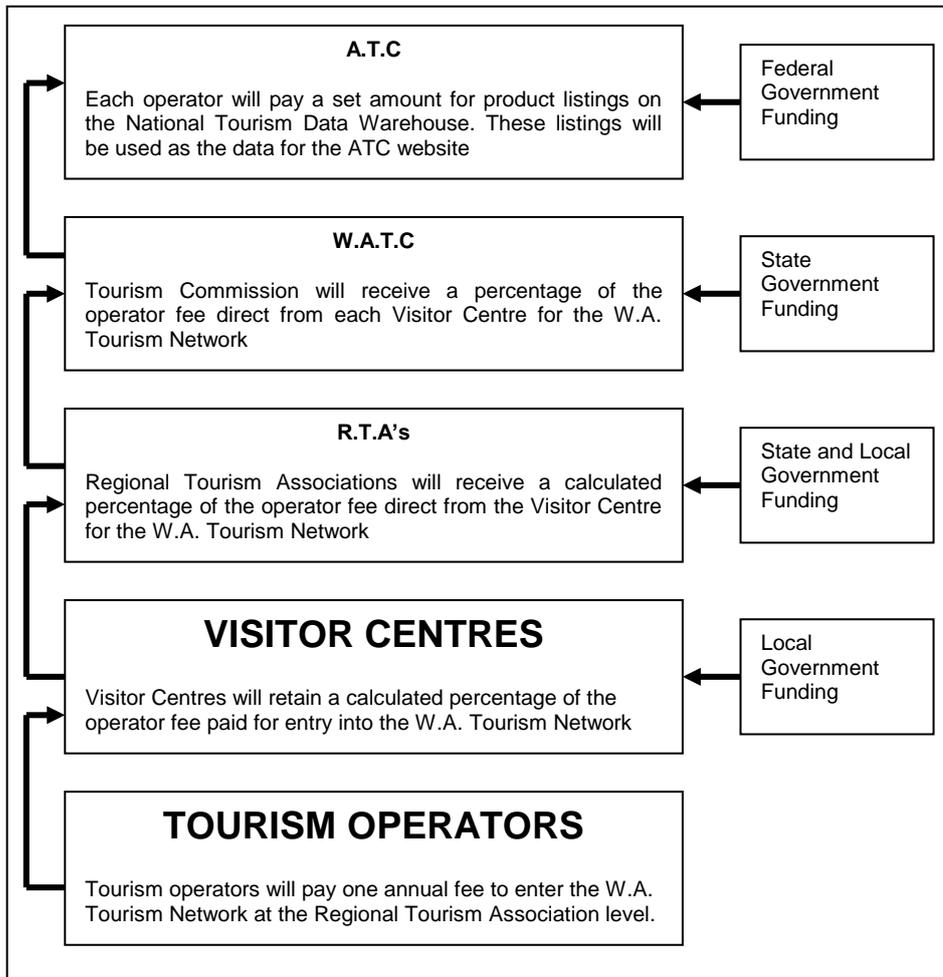
The funding models will be implemented and administered by the WATC as part of a broader five year plan which would look at developing, inter alia:

- a fully integrated visitor servicing network;
- a virtual call centre network;
- a fully-integrated sales network; and

- a comprehensive knowledge network.

Figure 5.3 and **Figure 5.4** illustrate the two proposed private sector funding models. The future private funding plan makes a distinction between the regional and metropolitan areas of Western Australia.

Figure 5.4 Envisaged Regional Funding Model

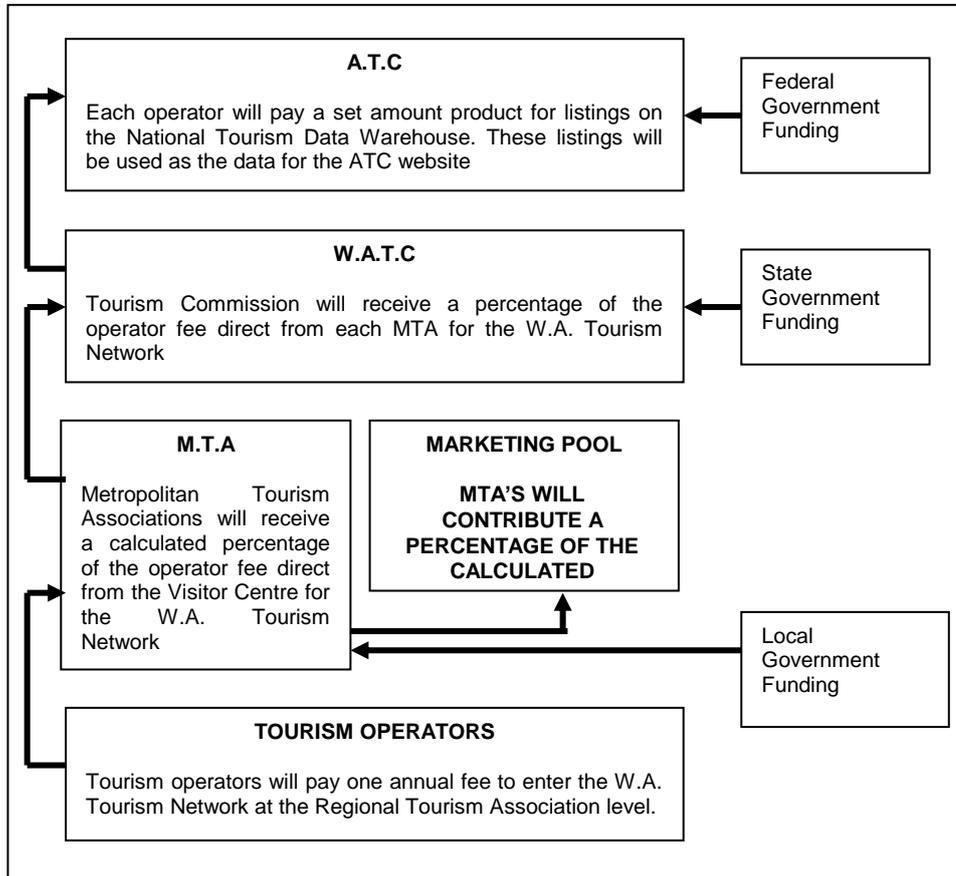


Payment Example:

Tourism Operator Pays:	AUS\$ 535	(R 2194)
Retained by Visitor Centre	AUS\$ 293	55%
Forwarded to WATC	AUS\$ 86	16%
Forwarded to NTDW ¹	AUS\$ 50	9%
Forwarded to RTA	AUS\$ 106	20%
Total	AUS\$ 535	

¹ National Tourism Data Warehouse; research department of the ATC

Figure 5.5 Envisaged Metropolitan Funding Model



Payment Example:

Tourism Operator Pays:	AUS\$ 535	(R 2194)
Retained by Visitor Centre	AUS\$ 293	55%
Forwarded to WATC	AUS\$ 142	27%
Forwarded to NTDW	AUS\$ 50	9%
Marketing Pool	AUS\$ 50	9%
Total	AUS\$ 535	

SECTION 6: STATE OF FLORIDA

6.1 GENERAL

The State of Florida is America's most popular holiday destination. According to the latest summer survey of visitors to the United States, carried out on behalf of the Travel Industry Association of America, 34% of respondents claimed they would most likely visit Florida. California is ranked second, after Florida, as a destination most likely to be visited .

It is estimated that the Florida Tourism Industry generated a total of US\$43 billion in terms of direct tourism expenditure (approximately R300 billion) in 1999.

6.1.1 Core Products

The core products of Florida, as identified by the Florida Tourism Board as attracting a significant number of domestic and international tourists, are:

- Sun and Sea;
- Amusement Parks;
- Marine life viewing;
- Scenic rural areas;
- Business;
- Conference / Convention; and
- Historical and Cultural.

Florida's main tourism icons are Disney World, Sea World, Cape Canaveral, The Everglades and the city of Miami.

6.1.2 Core Markets

According to the latest survey conducted by the Florida Tourism Industry Marketing Corporation, in total some 48,7 million visitors visited Florida in 1998. Of these, some 6,1 million were from overseas and the remainder were domestic tourists.

In general, Florida receives more international visitors and visitors from Latin America than other American state. The visitor mix is comprised of 3% Canadian, 7% other international and 90% domestic. The majority of the domestic visitors originate from states east of the Mississippi River. Core foreign markets are the United Kingdom, Brazil, Germany, Venezuela and Argentina.

6.2 FLORIDA TOURISM INDUSTRY MARKETING CORPORATION

The Florida Tourism Industry Marketing Corporation, or better known as its brand name “Visit Florida”, is a non-profit, partly government funded marketing organisation. Visit Florida is Florida’s official tourism marketing corporation. The organisation has a staff compliment of 150 employees.

The mission statement of Visit Florida is: *“Visit Florida markets and facilitates travel to and within Florida for the benefit of its residents, economy and travel and tourism industry”*

6.2.1 Institutional Structure

Visit Florida is governed by the Florida Commission on Tourism. The Executive Committee of Visit Florida reports directly and solely to The Florida Commission. Visit Florida works closely with local tourism bodies such as the Local Tourism Development Councils and local convention and visitor bureaux. Co-operation is in the form of co-operative advertising and the exchange of information. The role of local tourism development organisations is similar to that of Visit Florida.

6.2.2 Composition Of The Board

The Florida Commission on Tourism consists of 43 board members. The public sector indirectly elects three member of the Board. These are:

- the chairperson of the Board who is also the State Governor;
- a representative of the Senate; and
- a representative of the House of Representatives.

The remaining 40 members are appointed by the Governor and represent sectors of the tourism industry and public sector. The period of office of the Board is one year.

The Board of the Florida Commission on Tourism has formed several subcommittees. These are:

- Executive Committee (15 members);
- Finance Committee (7 members);
- Marketing Committee (29 members);
- Multi-Cultural Committee (16 members);
- Eco/Heritage Tourism Subcommittee (33 members);
- Legislative Task Force (11 members);
- Visitor Services Advisory Subcommittee (7 members); and
- Partner Development (25 members).

6.2.3 Core Functions

The Florida Tourism Industry Marketing Corporation (“Visit Florida”) has 4 core functions. These are:

- international marketing;
- domestic marketing;
- gathering and compiling statistics; and
- the operation of 5 Welcome Centres.

International Marketing

Visit Florida has 6 sales and marketing offices worldwide. These offices are located in Canada, the United Kingdom, Germany, Japan, Brazil and one in Florida, which focuses solely on the Central America market. The sales offices are in constant contact with top travel agents, tour operators and charter and scheduled air carriers. In addition they partake in travel trade shows, sales missions, and educational seminars. The sales offices have recently undergone a full operational review. The outcomes of the operational reviews are based on what is best for each individual market situation.

Visit Florida is generally present at approximately 100 trade shows annually. Ten percent of the organisation's total consumer advertising budget is spent abroad. Visit Florida has identified the need for an increased emphasis on networking with potential promotional partners at the major trade shows and conferences.

A major focus of Visit Florida is the promotion of the Florida brand. Building and reinforcing the recognition of the FLA USA brand is a function of the Merchandising and Licensing Department of Visit Florida. A joint venture was formed between Visit Florida and American Express whereby co-branding and co-operative marketing strategies will be utilised to leverage the strength of both organisations and to attract more visitors to the State, particularly American Express cardholders. In addition, six major retailers and numerous other smaller retailers now carry FLA USA, (the Florida brand) merchandise. It is hoped to increase major retailer commitment and to grow the number of smaller retailers that carry the FLA USA merchandise by 25%. According to Visit Florida's annual report, licensed products now featuring the FLA USA logo now include T-shirts, golf shirts, denim shirts, sweat shirts, beach towels, sun glasses, sport bottles, mugs, tumblers, cameras, golf balls and tees, garment bags, portfolios, caps, videos, key tags and luggage tags. The purpose of the co-branding programme is to increase the flow of revenue, as well as to enhance awareness of the FLA USA brand. Further co-branding programs have been formed with travel agencies and tour operators. Promotional programmes are launched at regional, national and international levels.

Domestic Marketing

The main activity in Visit Florida's domestic marketing department is consumer advertising. Major emphasis is placed on promotions that target Florida's top 29 domestic markets. Market selection is based on:

- market share;
- existing visitation to Florida;
- the potential of expanding this visitation; and
- the opportunity to extend brand awareness.

The three main origin markets for Florida are the states of Georgia, New York and Alabama. Visit Florida has on-site sales offices in New York, Washington D.C, Chicago Dallas, and Tallahassee, where full-time sales representatives are in constant contact with travel agents, tour operators, and meeting planners.

Sales staff in Tallahassee are dedicated to promoting Florida's meeting and convention market and to create opportunities for Florida's suppliers to interface with meeting planners throughout the country. One of Florida's major events is the "Florida Encounter", whereby more than 175 meeting planners visit the State to meet one-on-one. Plans are underway to expand this event.

Visit Florida constantly provides the media with updates on what is new and fun in Florida. Public relations teams co-ordinate familiarisation tours with both domestic and international media.

Visit Florida facilitates the promotion of individual tourism product suppliers. A popular activity is the organising of radio contests, where the prize is a full paid holiday. Transport, accommodation, and leisure services for the winner are then provided by local tourism suppliers.

In an attempt to gain industry and public support, Visit Florida conducted a state-wide campaign to highlight to residents the economic benefits accrued by tourism, as well as to generate greater awareness of the industry.

New Product Marketing

The New Product Marketing Department identifies and promotes the State's less known tourism attractions and products in an effort to extend the average length of stay of tourists. The department assists communities and rural areas that have limited funding, staff or public relations activities, and works closely with the Ecotourism/Heritage Tourism Advisory Committee to the Florida Commission on Tourism.

Research

The main purpose of Visit Florida's research department is to gather relevant information for marketing strategies. Ongoing activities include:

- estimates of air and auto visitors to Florida;
- visitor profile information;
- studies of traditional and non-traditional visitor segments;
- tracking and monitoring domestic and international travel trends; and
- supplying Visit Florida, its advertising agency, state officials, partners and other members of the tourism industry with information needed to maximise marketing effectiveness.

The department has recently implemented a major study that investigates the factors that impede the attraction of certain markets, as well as possible ways to address such issues. In

addition they have downloaded an online questionnaire for website visitors to provide feedback for the purposes of site enhancement and improvement.

Welcome Centres

Visit Florida operates five Welcome Centres that are located at main motorist points throughout the State. Staff undergo training in order to receive a National Information Specialist certificate.

At these centres trained staff provide information relating to Florida's travel destinations, products and services. Welcome Centre promotional material include brochures, transparency, window and lobby displays. During seasonal festivals, locals bring their products for display at the Welcome Centres. A total of 2,5 million people visited these Centres during the period 1998-1999, an average of 7 000 people per day. Welcome Centres are advertised on billboards and along state highways to encourage increased visitation. Extended hours of operation have been implemented and Welcome Centres now operate until 7pm every night.

6.2.4 Governmental Relationships

Although Visit Florida is a non-governmental organisation, the government has reasonable representation on the Board. However, with the exception of the Governor the public sector representatives have no voting rights.

Approximately 40% of Visit Florida's total funding comes from government grants. Visit Florida provides a report of its performance on a quarterly basis to the Governor's office. Visit Florida reports on an annual basis to the Office of Tourism, Trade and Economic Development. Its financial statements are reviewed by the Office of Public Policy and Governmental Accountability. Failure to meet objectives can result in the State Government decreasing the quarterly grants by up to 20%.

6.2.5 Private Sector Involvement

Visit Florida's success is largely due to the industry support it receives. Sixty percent of Visit Florida's revenue comes from the private sector. Florida State law mandates the Florida Tourism Industry Marketing Corporation to freely form partnerships with private sector organisations. This is the responsibility of Visit Florida's Partner Development Department. A partner's recognition and recruitment "road show" programme has been initiated with the aim of advertising the benefits of partnerships. Benefits include:

- Advertising

This includes discounted rates on co-operative advertising opportunities, free listing and special pricing in the Official Florida Vacation Guide and banner and button buys on the www.flausa.com website.

- Research

Research benefits include free copies and access too exclusive commissioned research projects as well as a "How's Business Report" - a bi-weekly market and business trends report.

■ Sales

This includes access to travel agent and tour operator databases, editorial inclusion in a quarterly newsletter, access to event planning through the Visit Florida domestic and international sales offices and staff and priority participation in travel agent/ tour operator familiarisation trips, trade shows, market places and sales missions.

■ Marketing

This includes access to leads generated from consumer inquiries through calls to toll-free telephone lines as well as through the www.flausa.com website.

■ Public Relations and Promotions

This includes participation on media calls with key journalists as well as priority participation in media familiarisation trips and origin market promotional opportunities.

■ Visitor Services

This includes priority participation in Welcome Centre staff research trips, discounts on brochure rack space, and access to the lobby display space.

■ Merchandising and Licensing

This includes exclusive rights to use and co-brand the official FLA USA logo for employee programs and a 10 percent discount on officially licensed FLA USA merchandise.

■ Eco/ Heritage Tourism

This includes priority participation in eco-themed familiarisation tours, as well as eco/ outdoor themed trade and consumer shows.

Florida Tourism Industry Marketing Corporation has formed partnerships with 2 400 organisations ranging from local family-owned hotels to the large corporations. Sixty percent of Florida Tourism Industry Marketing Corporation's funding is provided through these strategic partnerships.

Other means of private sector involvement includes representation on the Board and its sub-committees and in the field of co-operative advertising and joint promotional activities. For example, together with Samsonite, Visit Florida has designed a special Florida Samson suitcase, which includes a package of promotional material on the State.

6.2.6 Expenditure

As a marketing organisation, most of Visit Florida's available funding is used for its core function - marketing, as shown in **Figure 6.1**.

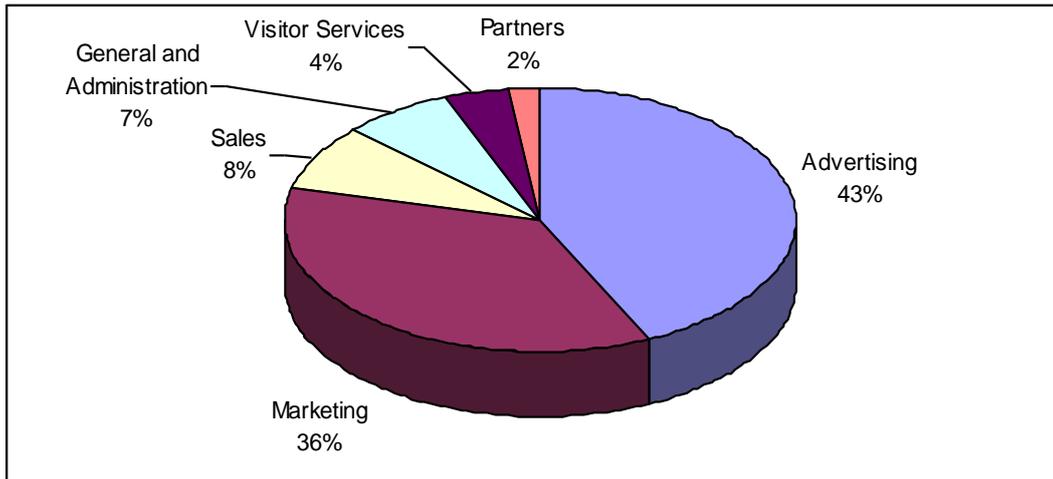


Figure 6.1 Overview of Visit Florida Expenditure 1998 - 1999

6.2.7 Performance Measurement

Visit Florida reviews its performance by means of a set of indicators that monitor the economic impact of Tourism on the State economy. These indicators are mainly:

- the number of domestic and international visitors; and
- the average duration of stay.

Other related indicators are:

- tourism taxable sales;
- Florida sales tax revenue;
- advertising equivalency; and
- consumer impressions.

By means of its annual budget, Visit Florida reports to the State Government and accounts for funding used. Goals for the following year are stated in the organisation's annual report. These goals are reviewed at the end of the year in order to assess the extent to which they have been accomplished.

6.2.8 Funding

Visit Florida's annual available funding is approximately US\$54 million of which the State Government provides US\$22 million through subsidies and levies. This represents roughly 40% of the organisation's total budget. Sixty percent or US\$33 million is provided through private sector partnerships. Partners pay an annual fee which is referred to as an annual investment. The investment varies according to the size of the organisation (for example a hotel versus a bed and breakfast establishment) as well as on the organisation's annual revenue.

SECTION 7: BEST PRACTICE

7.1 General

Although various examples of best practice exist with respect to the issues discussed in this report, different agencies and authorities excel in different areas and may have different output requirements. It therefore remains incredibly difficult to assess best practice within a single authority or even across different authorities.

We have, however, provided information in respect of WTO identified best practice for national and regional tourism organisations. In some instances, based on our knowledge of the industry, we have also provided our opinion in respect of what we believe to be best practice.

7.2 Institutional Structure

The institutional structure within which a tourism organisation operates depends largely on political and social structures of that particular country. One can therefore not define best practice in terms of institutional structure. Ideally however, the institutional relationship should maximise communication and minimise duplication of activities between and within local, regional and national structures. This would in turn contribute to the maximum achievement of output and objectives for all parties.

7.3 Composition of the Board

The WTO provides no international guidelines in respect of the composition and size of the boards of regional tourism organisations. We do, however, believe that effective representation on the board as well as the overall effectiveness of the board is more important than the actual size of the board. The board should, however, not be so large that it becomes unwieldy and unproductive. We believe that board representation should include all key stakeholders in the regional tourism industry, including public, private and semi-public representatives, labour, SMME organisations and with particular reference to South Africa, representatives of previously disadvantaged organisations/individuals.

7.4 Core Functions

In our opinion, at present, most tourism organisations concentrate on public relations, market research, market intelligence and actual destination marketing and promotion. Responsibility for the function of development is debated worldwide and often varies between the tourism authority and government.

According to the WTO, tourism organisations should have enough flexibility to be able to adapt their functions or tasks according to the needs of the market or changing market requirements.

7.5 Governmental Relations

Relationships with government is largely linked to the institutional structure of a country. However, we believe that tourism organisations should not operate in isolation. Communication between national and provincial organisations as well as with other regional tourism organisations should be facilitated.

7.6 Government and Private Sector Involvement

Government and private sector involvement in tourism varies considerably from country to country and region to region. According to the WTO there is a greater need for government support in developing countries where the tourism industry is relatively new, and less need of public sector support of the tourism industry in countries where there is a high level of economic development e.g. the USA.

Experience in the state of Colorado (USA) has shown that leaving the responsibility for tourism promotion and marketing entirely to the private sector is not a satisfactory solution. In this case benefits were unevenly spread as a result of the dominance of big industry players. For tourism to develop in a sustainable manner appropriate physical, regulatory, fiscal and social frameworks are required. These can generally only be provided by government.

The current trend in almost all regions of the world is toward semi-public tourism organisations, and partnerships between the private sector and the authorities at both national and provincial levels. This helps to compensate for deficits in either funding or other scarce resources. This type of partnership arrangement is likely to become more widespread in the future.

7.7 Funding

In most countries government funding still tends to dominate. The rationale for government funding of tourism promotion is that it provides for the generic marketing of a country or region, thereby benefiting not only the tourism industry but also the relevant community as a whole. WTO research shows that an increase in government funding for tourism in Western Australia has resulted in an increase in both international arrivals and receipts.

However, in an increasingly competitive tourism industry, national and regional authorities are frequently finding that government funding is insufficient to meet the organisation's objectives. Increased private sector participation is therefore seen as a crucial factor in ensuring the continued availability of funds for sustained tourism promotion and marketing programmes. Options for private sector funding include, inter alia:

- membership fees e.g. WATC has proposed to implement a once-off, annual membership fee that provides membership to local, regional and national tourism structures;
- sponsorship e.g. the WCTB raises funds from the private sector for specific functions or actions; and
- levies (raised on tourism organisations [% of turnover] or alternatively on tourists themselves) e.g. GTA proposes to implement a tourism levy on all provincial tourism organisations.

Visit Florida's private sector partnership agreement essentially encompasses an annual membership fee. However, this "fee" is sold to the private sector on the basis of tangible, direct benefits that will accrue to each member/partner.

In our opinion, the ideal relationship between the public and private sector is dependent on the local environment. Irrespective of the means of raising funds from the private sector, we believe that the private sector should receive appropriate benefits for their contribution. In addition, it is important to ensure that smaller tourism businesses are not excluded from the process and levies and/or fees should be in proportion to the organisation's turnover.

7.8 Expenditure

Our research indicates that regional tourism organisation expenditure is largely concentrated on core functions, with the majority of their budget being focussed in this direction. As far as possible, administrative expenses should be kept to a minimum.

7.9 Marketing

Success in tourism marketing appears to rely on strong branding and intensive promotional campaigns.

Australia's national tourism authority (ATC) has ensured the active support and involvement of the private sector in tourism marketing. 'Partnership Australia' is a cooperative marketing venture between the ATC, the private sector and all state tourism organisations (including the Western Australian Tourism Commission). This has helped to eliminate unnecessary duplication and fragmented marketing programmes which would normally confuse potential tourists. Under 'Partnership Australia', state autonomy is still acknowledged, but is channelled into a more unified national approach. In this way open lines of communication are ensured between state and national tourism authorities.

7.10 Performance Measurement and Evaluation

Performance measurement and evaluation are increasingly becoming an important part of the overall activities of tourism organisations. This is especially important where a tourism organisation is largely funded by government and a large amount of transparency is required in the use of the taxpayer's money. The WTO argues that the activities of tourism organisations should be results orientated with clear and measurable objectives. The primary

measure of the success of a tourism organisation according to the WTO is its ability to create additional tourism demand. The suggestion has been put forward for the development and introduction of accounting models to keep track of successes and failures.

SECTION 8: COMPARATIVE ANALYSIS

8.1 GENERAL

Research was conducted into comparable regions in South Africa and overseas in order to develop a basic understanding and point of comparison for the KwaZulu-Natal Tourism Authority in terms of:

- core products;
- core markets;
- institutional structure;
- composition of the Board;
- core functions;
- relationship with government;
- the involvement of the private sector;
- expenditure;
- performance measurement; and
- funding.

Within South Africa, the KwaZulu-Natal Tourism Authority is compared to the Western Cape Tourism Board and the Gauteng Tourism Authority. Outside South Africa, it is compared to the Western Australian Tourism Commission and the Florida Tourism Industry Marketing Corporation.

Annexure A shows the results of this research in table format.

8.2 TOURISM AUTHORITIES WITHIN SOUTH AFRICA

The Western Cape and Gauteng tourism authorities were chosen as points of comparison, due to the provinces' popularity as tourism destinations within South Africa.

Annexure A lists the main tourism products and primary markets for each of the regions used for comparison.

Core Products

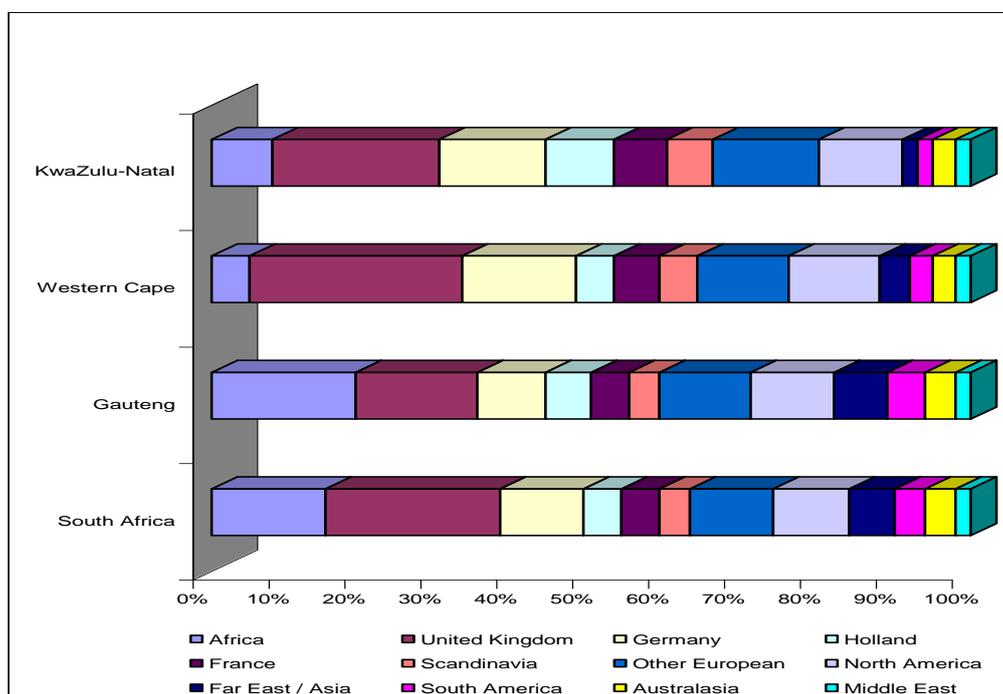
In terms of tourism products, KwaZulu-Natal and the Western Cape are similar, with sun and sea being one of the main attractions, while Gauteng differs from KwaZulu-Natal and the Western Cape in this regard.

Core Markets

The primary tourism market for the Western Cape and Gauteng is the foreign market, whereas for KwaZulu-Natal the primary market is domestic. On average, Gauteng attracts more overseas visitors per annum than both the Western Cape and KwaZulu-Natal.

Figure 8.1 gives an indication of KwaZulu-Natal's source markets for foreign air arrivals compared to Gauteng, the Western Cape and the national average. In terms of visitor numbers, the United Kingdom generates the highest proportion of foreign air arrivals to the Western Cape, KwaZulu-Natal and South Africa as a whole. Gauteng's main source market in terms of foreign air arrivals is the rest of Africa.

Figure 8.1: International Tourism Source Markets – KwaZulu-Natal, Western Cape, Gauteng and South Africa



Source: Satour, *International Tourism Market* (1999)

In terms of revenue from international tourists the Western Cape receives the greatest contribution to its provincial economy, followed by Gauteng and then KwaZulu-Natal. In terms of total tourism revenue, KwaZulu-Natal receives less than both the Western Cape and Gauteng Provinces.

KwaZulu-Natal is the most popular province for domestic tourists, followed by Gauteng and then the Western Cape. According to the 1998 KwaZulu-Natal Tourism Consumer Survey, 44% of all domestic trips were destined for KwaZulu-Natal, 19% for Gauteng and 12% for the Western Cape. In terms of the type of domestic tourist that the provinces attract, KwaZulu-Natal is a popular destination for all income groups while the Western Cape attracts mainly the higher income domestic tourist, and Gauteng the lower income groups.

Institutional Structure

Institutional arrangements relating to the way in which Tourism KwaZulu-Natal relates to the RTO's and LTB's in the province, are similar to those in the Western Cape. For the Gauteng Tourism Authority however, institutional arrangements are different, in that the tourism organisations at regional and local levels are largely independent of the Tourism Authority.

Composition of the Board

The size of the Tourism Boards varies between 11 and 24 people, with Tourism KwaZulu-Natal having the largest Board. The maximum size of the Boards is specified in the relevant tourism acts.

For all three tourism authorities, election of the Board is via the relevant MEC for tourism who publishes a notice in the Provincial Gazette as well as in other newspapers, calling for nominations. Final appointments to the Board are made by the MEC.

Public and private sector representation on the Boards varies. Public sector representatives comprise more than half of the Board of Tourism KwaZulu-Natal. Tourism KwaZulu-Natal has the smallest private sector representation compared to the Western Cape Tourism Board and Gauteng Tourism.

The period of office for the various Boards is determined by relevant acts but normally range from two to three years.

KwaZulu-Natal Tourism Authority with its 32 posts has the largest staff complement, followed by Gauteng Tourism with 25 and the Western Cape Tourism Board with 21 posts.

Core Functions

Core functions of the authorities are set out in the relevant tourism acts and are elaborated upon in their business plans. Core functions relate mainly to the activities of marketing and development. In addition, the Gauteng Tourism Authority is responsible for activities such as the registration, licensing and collection of levies from tourism businesses and operators.

Governmental Relationships

With regard to all 3 authorities, the relationship with government (other than with the relevant Departments that provide the funding) is largely informal. Senior government officials responsible for tourism are represented on the Miptec (Minister's tourism advisory committee) at a national government level.

Private Sector Involvement

The private sector is involved in each Authority through board representation as well as through the co-funding of projects and marketing initiatives. In the case of Tourism KwaZulu-Natal and the Western Cape Tourism Board, private sector advice is mainly in the form of

work that has been outsourced to consultants. In the case of the Gauteng Tourism Authority, various marketing and development partnerships have been forged with the private sector.

Funding

All three South African tourism authorities are funded entirely or largely by provincial government. Funding is received on a quarterly basis. After Gauteng, KwaZulu-Natal Tourism Authority has the second largest budget for tourism. Funding provided by the private sector is negligible compared to that provided by Provincial Government for all three tourism authorities. Private sector funding supplements the financial resources provided by the provincial governments.

Expenditure

In terms of expenditure, KwaZulu-Natal spends the most on its core functions and activities with 58% of its total budget spent on marketing and product development. Of this, 43% goes toward brand management and 15% toward product development. The Western Cape Tourism Board spends 28% of its total budget on marketing and 7% on development. Of the three tourism authorities, Gauteng Tourism spends the least on these two functions, with only 27% of the total budget being allocated to marketing and product development.

Performance Measurement

Annual reports are used to measure the performance of all three tourism authorities. In addition, the authorities are audited by the Provincial Auditor General as well as an external auditing firm. The KwaZulu-Natal Tourism Authority is the only one of the three that measures its performance through indicators such as media coverage, hotel occupancies and the amount of revenue generated by specific activities. The Western Cape Tourism Board has signed a performance agreement with the Department of Economic Affairs, Agriculture and Tourism, whereby a failure to perform results in the cutting back of funding. The Gauteng Tourism Authority has not implemented any steps through which to measure performance.

8.3 TOURISM AUTHORITIES OVERSEAS

The tourism revenue received by both Florida and Western Australia is considerably larger than that received by KwaZulu-Natal. The tourism revenue generated in Western Australia is estimated to be 3 times as large as the total tourism revenue in KwaZulu-Natal, and the revenue generated in the State of Florida is 50 times larger. These amounts are relative to the size of the country's population, GDP, and number of tourists received.

Core Products

The core tourism products of KwaZulu-Natal have strong similarities with those of Western Australia. The Amusement Parks in Florida form the biggest difference between the three areas.

Core Markets

An estimated 90% of all visitors to Florida are domestic visitors, and the USA with an average GDP per capita of R 206 264 (compared to R 12 682 in RSA) has a very large and significant domestic tourism industry.

In terms of the attracted markets for all of the regions, with the exception of the Western Cape and Gauteng, between 90 and 93 percent of all visitors to the regions compared in this report are domestic.

A major distinction between Tourism KwaZulu-Natal, Visit Florida and the Western Australian Tourism Commission, is the latter two's ability to mobilise the private sector. The private sector accounts for 22% of the Western Australian Tourism Commission and 60% of Visit Florida's funding. For Visit Florida and the WATC, private sector funding is mobilised mainly through the formation of partnerships which in turn allows the private sector to benefit from particular activities carried out by the tourism agency.

Budget

Although the Florida organisation has the biggest amount of money to spend each year (R378 million), their Budget/ Tourism Revenue ratio is 1,25 pro mille². The equivalent ratio for Tourism KwaZulu-Natal is 3,23, and WATC, with a ratio of 7,83, seems to have the most money to spend compared to the revenue generated by the regional tourism industry. This means that the budget that Visit Florida receives, in relation to the total amount of money generated by tourism revenue in the State, is far less than that of Western Australia and is, in fact, less than the budget/revenue ratio for Tourism KwaZulu-Natal.

Institutional Structure

As in South Africa in terms of institutional structure, both Visit Florida and the Western Australian Tourism Commission interact with national, regional and/or local counterparts. Their role is however different to that of their South African counterparts in that co-operation between the governmental organisations is largely based on joint promotional activities and the exchange of information, as opposed to a formal reporting structure. Both foreign organisations have direct interaction with tourists through visitor centres and telephone information services.

Composition of the Board

The Boards of both foreign organisations differ greatly in size. Western Australia has a Board of 9 members and has established 8 subcommittees that support the various departments of the organisation. Visit Florida has a Board of 43 members and 8 subcommittees. It is important to note that although 25% of Visit Florida's Board representatives are from semi-public organisations they have non-voting rights. Compared to Tourism KwaZulu-Natal, both foreign organisations have chosen to limit the stake of the public sector in their organisations.

² The ratios have been multiplied by a thousand in order to provide an easier source of comparison for the different regions

Funding and Expenditure

Visit Florida receives 60% of its funding through private sector partnerships and spends almost 80% of its annual budget on marketing and advertising activities. The Western Australian Tourism Commission directs almost 50% of its budget toward marketing activities. In addition 29% of WATC's budget is allocated to the organising of events.

Performance Measurement

The Western Australian Tourism Commission has developed an extensive and detailed system of measuring its performance by means of 19 effectiveness and efficiency indicators. Visit Florida uses less narrowly defined indicators, such as average number of visitors to Florida and their average expenditure.

Visit Florida runs the risk of 20% cut backs in government funding if they do not meet their objectives annually. Although this is not the case in Western Australia at present, it is expected that a similar measure may be instituted in the near future.

Government and the Private Sector

According to the WTO, in Australia, the government's investment in tourism has had a positive impact on the growth in international arrivals and receipts. The authority has also ensured the active support and involvement of the private sector. 'Partnership Australia' is a cooperative marketing venture between the ATC and all state tourism organisations (including the Western Australian Tourism Commission). This has helped to eliminate unnecessary duplication and fragmented marketing programmes which would normally confuse consumers. Under 'Partnership Australia', state and territory autonomy is still acknowledged, but is channelled into a more unified national approach.

8.4 CONCLUSION

In conclusion, both foreign tourism authorities operate on a larger scale and have stronger links with public and private organisations compared to KwaZulu-Natal, Gauteng or the Western Cape Tourism Authorities. Opportunities are sought for additional co-operative activities with private sector organisations. Activities range from operating visitor centres to manning sales offices abroad. They are also far less dependent on government support than the tourism authorities in South Africa and representatives of the private sector are predominant on their governing bodies.

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COMPARATIVE ASSESSMENT

General

Territory	Country	National population (million)	Province population (million)	National Total GDP (billion)
KwaZulu-Natal	Republic of South Africa	41	8,4	R 520
Western Cape	Republic of South Africa	41	3,9	R 520
Gauteng	Republic of South Africa	41	7,3	R 520
Western Australia	Commonwealth of Australian Territories	19	2,5	R 2 312
Florida	United States of America	275	15,1	R 56 722

Board

Authority	Number of Board members	Percentage of public sector representation in the Board	Percentage of private sector representation in the Board	Period of Office	Number of employees in organisation
Tourism KwaZulu-Natal	24	71%	29%	3 years	32
Western Cape Tourism Board	11	64%	36%	3 years	21
Gauteng Tourism Authority	16	66%	34%	3 years	25
Western Australian Tourism Commission	9	11%	89%	4 year	131
Florida Tourism Industry Marketing Corporation	43	25%	75%	1 year	150

Product/Market Analysis

Authority	Core Products	Primary Market/s	Core Domestic Market	Total Tourist Spend	% Domestic Tourism Spend to Total Tourist Spend	Core Foreign Market	% Foreign Tourism Spend to Total Tourist Spend
Tourism KwaZulu-Natal	Sun & Sea Scenic Beauty Wild Life Conferences & Conventions	Domestic	KwaZulu-Natal, Gauteng, and Eastern Cape	R 8,3 billion	77%	United Kingdom, Africa, North America, Netherlands, France and Germany	23%
Western Cape Tourism Board	Sun & Sea Scenic Beauty History & Culture Business	Domestic and International	Western Cape, Gauteng, and Eastern Cape	R 15,4 billion	47%	United Kingdom, Germany, other European Countries and North America	53%
Gauteng Tourism Authority	Business History & Culture Sports	Domestic and International	Gauteng, KwaZulu-Natal, and Western Cape	R8,6 billion	43%	Africa, the United Kingdom; other European Countries and North America	57%
Western Australian Tourism Commission	Sun & Sea Scenic Beauty Wild Life Historic & Culture	Domestic	Western Australia, New South Wales, Queensland	R 16 billion	93%	United Kingdom, Japan, Germany, Singapore and Malaysia	7%
Florida Tourism Industry Marketing Corporation	Amusement Parks Sun & Sea Marine Life Business	Domestic	Georgia, New York and Alabama	R 301 billion	90%	Canada, United Kingdom, Brazil, Germany, Venezuela and Argentina	10%

Tourism Institutional Structures and Funding

Comparable Authority	National Government Department	National Tourism Organisation	Provincial Government	Source of Public Sector Funding	Regional Tourism Organisation	Local Tourism Organisation
KwaZulu-Natal Tourism Authority	Department of Environment Affairs and Tourism	Satour	Department of Economic Development and Tourism	Provincial Govt	Regional Tourism Organisations	Local Publicity Organisations
Western Cape Tourism Board	Department of Environment Affairs and Tourism	Satour	Department of Economic Affairs, Agriculture and Tourism	Provincial Govt	Regional Tourism Organisations	Local Tourism Bureaus
Gauteng Tourism Authority	Department of Environment Affairs and Tourism	Satour	Department of Finance and Economic Affairs	Provincial Govt	Regional Tourism Organisations that operate independently to the Tourism Authority	Local Tourism Organisations that operate independently to the Tourism Authority
Western Australian Tourism Commission	Department of Tourism	Australian Tourism Commission	n/a	Provincial Govt	Regional Tourism Associations	Visitor Centres
Florida Tourism Industry Marketing Corporation	Does not report to a government department	Travel Industry Association of America	Office of Tourism, Trade and Economic Development	Provincial Govt	Regional Convention and Visitors Bureaus	Local Convention and Visitors Bureaus, Tourism Development Councils

Funding

Comparable Authority	Annual Budget (million)	% Private Sector Contribution	% Public Sector Contribution	Interval of receiving Government Funding
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KwaZulu-Natal Tourism Authority	R 19,4	0%	100%	Quarterly
Western Cape Tourism Board	R 6,4	6%	94%	Quarterly
Gauteng Tourism Authority	R 30	5%	95%	Quarterly
Western Australian Tourism Commission	R 141	22%	78%	Quarterly
Florida Tourism Industry Marketing Corporation	R 378	60%	40%	Quarterly

Measurement Systems

Comparable Authority	Annual Report	Annual Business Plan	Strategic Business Plan	Audited by Public and Private Sector Organisation	Failure to meet objectives results in cutting back of funds	Number of Performance Indicators
KwaZulu-Natal Tourism Authority	Yes	Yes	Yes	Yes	No	12
Western Cape Tourism Board	Yes	Yes	Yes	Yes	Yes	0
Gauteng Tourism Authority	Yes	Yes	Yes	Yes	No	0
Western Australian Tourism Commission	Yes	Yes	Yes	Yes	No	19
Florida Tourism Industry Marketing Corporation	Yes	Yes	Yes	Yes	Yes (max 20%)	6

Core functions

Comparable Authority	National marketing	International marketing	Visitors Centres	Product development	Other
KwaZulu-Natal Tourism Authority	Yes (About to establish an office and appoint representatives in Gauteng)	Yes (Has 3 foreign representatives)	No	Yes	Research
Western Cape Tourism Board	Yes (no separate national marketing offices)	Yes (0 international offices)	No	Yes	Research and Distribution
Gauteng Tourism Authority	Yes (no separate national marketing offices)	Yes (0 international offices)	No	Yes	Registration, licensing, and collection of tourism levies
Western Australian Tourism Commission	Yes (12 national marketing offices)	Yes (5 international offices)	Yes (1)	Yes	Events Organisation and Research
Florida Tourism Industry Marketing Corporation	Yes (8 national marketing offices)	Yes (6 international offices)	Yes (5)	No	Research

Expenditure

Comparable Authority	Marketing (International and National)	Development	Research	Administration and Support Services	Other
KwaZulu-Natal Tourism Authority	43%	15%	10%	30%	CEO's Office 2%; Branding Strategy 1%; Information Office 2%; Distribution 1%
Western Cape Tourism Board	28%	7%	7%	55%	Communication and Media 3%
Gauteng Tourism Authority	27%	35,4%	0%	27%	Stakeholder Support 9,4%; Quality Assurance 0,4%; Tourism Awareness 0,8%
Western Australian Tourism Commission	48%	13% of budget for both development and research. Unknown amount apportioned to either activity		Forms part of marketing budget	Events Organisation 29%; Visitor's Centre 10%
Florida Tourism Industry Marketing Corporation	70%	0%	10%	Forms part of marketing budget	Visitors Centre 20%;

* Specific expenditure categories are referred to in the respective chapters.

